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Hong Kong Business Elite Urge Washington: Don't Panic

By David E. Sanger
New York Times Service

WASHINGTON — On a warm spring night last month, the entrepreneurs and billionaires who built modern-day Hong Kong held an opulent dinner here at the Four Seasons Hotel to send the Washington establishment an urgent message: Calm down.

Don't overreact to every Chinese pronouncement about the future of Hong Kong, they told members of Congress and administration officials. Don't assume the worst about restrictions on civil liberties. And most important, let us handle Beijing.

"We are not in trouble," Victor Fung, a prominent property owner, said that night. "We are not panicked."

In truth, the Hong Kong business elite *is* panicked — but about how to manage Washington, not Beijing. The executives' fear is that Congress, with no other tools than economic sanctions at hand, might lash out in response to a minor roundup of protesters or a modest political crackdown, and damage an already rocky relationship between the United States and China.

Formally, the United States will simply be an observer July 1 when Prince Charles ends Britain's 155-year-long control over Hong Kong, the booming financial capital of Southeast Asia, to China. But as a matter of economic realpolitik, Washington is the central player.

There are more than 1,100 U.S. companies with regional bases in Hong Kong, led by investment houses like Morgan Stanley and banks like Citicorp. The U.S. Chamber of Commerce estimates, perhaps stretching the numbers a bit, that U.S.-based companies employ 10 percent of Hong Kong's work force of 2.5 million.

All sides in the arguments and political maneuvering leading up to the turnover agree that the United States is the key to Hong Kong's future, both as a huge investor and trading partner, and as the single loudest power calling for Beijing to respect the territory's autonomy.

And in recent months everyone from the departing British to the bullish-sounding billionaires of the Better Hong Kong Foundation, and from labor unionists to Martin Lee, the chief democracy advocate, have come here in hopes of manipulating the political and economic levers in Washington's hands, to their own ends.

The executives are calling for Washington to do nothing, arguing that strong reactions can only anger Beijing. The unions and democracy advocates see the United States as their only brake on China, but decline to specify how Washington should use its leverage.

Meanwhile, the administration has begun a lobbying campaign of its own in Hong Kong. In strong but precisely worded warnings, it has argued that the markets rather than the White

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Algerians, Ignoring Threats, Go To the Polls

Government Puts Turnout at Over 56% Amid Tight Security

By John Lancaster
Washington Post Service

ALGIERS — In an atmosphere of rigid security and relative calm, Algerians turned out in significant numbers Thursday to vote in their first multiparty general elections since the eruption of civil war between Islamic extremists and government security forces in 1992.

Notwithstanding threats of violence by the militants, and continued doubts about the government's commitment to democracy, polling officials reported strong participation by voters, who were casting ballots in the contest for the 380-seat National Assembly. Many apparently saw the contest as an opportunity to signal disgust with the bloodshed that so far has killed an estimated 60,000 people.

[Most polling stations closed across Algeria at 7 P.M., but voting was extended by an hour at some stations because of high voter turnout, Reuters reported.

[Interior Minister Mustapha Benmansour said at a news conference that the election was held in "very fine" conditions and that turnout stood at 56.02 percent by 6 P.M.]

"My deepest hope is to see the country come back to normal as before, to go out without fear, to work without worries," said Mohammed Belaid, a 30-year-old gardener, after voting in a primary school on the fringe of the capital's Casbah, or old city.

But voting was marred by reports of scattered violence in outlying areas, as well as accusations of widespread fraud by opposition parties who say the government has no intention of permitting genuine political pluralism in the vast North African country. In one reported instance, a bomb exploded outside of the capital and wounded three people.

Last November, the government pushed through a constitutional amendment that greatly limited the Parliament's powers, and the main opposition party, the Islamic Salvation Front, has been declared illegal. In January 1992, the government canceled multiparty elections that the front was poised to win, provoking the civil war.

For now, however, the vote Thursday appears likely to bolster the military-backed regime of President Liamine Zeroual, who is eager to restore some of the government's legitimacy as well as demonstrate that its security forces are able to contain the militant threat.

Even by Algerian standards, security in the capital was extraordinarily tight, with armored personnel carriers parked at major intersections and soldiers in

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The Euro's '99 Debut Appears Less Likely

After Victory by Socialists in France, Monetary Union's Timetable Is Awry

By John Vinocur
International Herald Tribune

Christian Saint-Etienne and James Lister-Cheese are economists who each have made projections of French economic performance based on the left's campaign promises. Both men say the results would mean deficits big enough to make France fall short of targets for participating in European monetary union.

Edgar Meister is a director of the German Bundesbank, and Howard Davies is the future head of the Securities and Investment Board in Britain. Both men have warned separately this week against excessive assumptions that monetary union would come into existence punctually in January 1999.

Every day now, the heavy stone of certainty that German and French determination alone would bring the euro, the common currency, to life on schedule wears away a bit more.

Because the subject is tinged with defeat and thwarted promise, the language is often that of circumlocution. But more experts, and more politicians — in the last few days, Prime Minister Tony Blair of Britain, the former Christian Democratic finance minister of Germany Gerhard Stoltenberg and the likely Social Democratic candidate for chancellor, Gerhard Schroeder — are now putting their names next to their belief that Europe could well live, and may have to live, with a delay.

In the space of a week, the givens changed. The election of a Socialist-led government in France with ambitious public-sector spending plans, combined with Germany's botched attempt to revalue its gold reserves, cast the uncertainty of the project's start in a harsh new light. No major European elected official has specifically called for a delay, but the tone of the discussion is changing palpably.

Against the view of Chancellor Helmut Kohl of Germany, who has warned against monetary union delay almost in terms of war and peace, a Bundesbank council member, Hans-Juergen Koebnick, said Wednesday that it was "no catastrophe" to talk about a postponement. In Germany, where monetary union is widely unpopular, 71 percent of those surveyed in a poll made public Thursday favored a delay.

Those who see importance in keeping to the European Union's timetable feel a

France facing a duel on who decides its foreign policy. Page 7.

The Associated Press

A man in Algiers signing the registry after casting his ballot Thursday for a multiparty Parliament.

Despite Rule By the Left, No Pink Wave For Europe

By Tom Buerkle
International Herald Tribune

BRUSSELS — For Europe's ascendant left, these are heady days of seemingly unparalleled power.

The victory of France's Socialist Party on Sunday is part of a sweeping change of Europe's political map. From Portugal and Greece in the south through France and Britain to the left's traditional stronghold in Scandinavia, Socialist and Social Democratic parties dominate the political scene, heading nine of the European Union's 15 governments and participating in coalitions in four others.

Spain and Germany are the right's last bastions, and support for Chancellor Helmut Kohl's conservative coalition in Bonn has dwindled in the face of record unemployment and a botched attempt to revalue the country's gold reserves.

"The opportunity is there to shift the Union in a direction we've always wanted, to deal with the aspirations and anxieties of the people," said Pauline Green, the British Labour politician who leads the Socialist bloc in the European Parliament. "First of all, that means job creation."

But despite their imposing numbers, there was little talk of revolution as Socialist leaders gathered in Malmo, Sweden, on Thursday for their semi-annual meeting. Today's Socialists lack the means, and the consensus, to reorder Europe's economic priorities. And while their modest reforms may offer the best hope of sustaining public support for European monetary union, the

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Pentagon Draws 'Line' on Sex Cases

Cohen Decides to Disregard Adultery of Candidate to Head Joint Chiefs

By Eric Schmitt
New York Times Service

WASHINGTON — After months of upheaval in the military over sexual relationships, Defense Secretary William Cohen has drawn "a line" and decided to forgive a top air force general's adulterous affair in the mid-1980s, saying it did not disqualify him as a leading candidate for chairman of the Joint Chiefs of Staff.

Beyond the specific case, Mr. Cohen suggested Wednesday that the military's search for sexual misconduct was spinning out of control and threatened to drum out accomplished officers indiscriminately.

Mr. Cohen said in an interview that General Joseph Ralston of the air force admitted to him under questioning that he had carried on a yearlong relationship with a civilian woman while the two were students at the National War College in 1983 and 1984. General Ralston, who was then a colonel, was estranged from his wife. They later reconciled briefly, then divorced.

A government official who attended the college at the time described the affair as "flagrant" and said the woman involved was an intelligence officer.

Mr. Cohen said that despite the episode, he considered General Ralston "a top candidate" for the nation's highest military job. He said the transgression was outweighed by the general's sterling 32-year record.

He also said he was persuaded to forgive the affair, even though adultery is considered a crime under military law, because it happened 13 years ago during General Ralston's separation from his wife, it involved a woman outside the military and it did not threaten the morale and discipline of the armed forces.

"I have concluded that the actions taken back in the mid-1980s did not disrupt the good order of the armed forces," Mr. Cohen said in the interview in his Pentagon office, "and did not and would not have brought discredit on the armed forces under those circumstances and would not automatically dis-

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AGENDA

Milosevic to Seek Top Yugoslav Post

BELGRADE (AFP) — The Serbian president, Slobodan Milosevic, will run for the presidency of the Federal Yugoslav Republic in coming elections, the independent BK television channel reported Thursday, citing a top official of Mr. Milosevic's governing Socialist Party.

Milorad Vucelic, the party's vice president, made the announcement after meeting officials from Serbia and Montenegro, the two states that make up Federal Yugoslavia, in Podgorica, Montenegro.

The current Yugoslav president, Zoran Lilic, is to step down when his mandate expires on June 25. The constitution prevents him seeking another term.

Cohen Plans Trip

WASHINGTON (Reuters) — Defense Secretary William Cohen will attend a NATO meeting in Belgium and visit Saudi Arabia and four other Gulf states on a trip beginning next week.

Remy de la Mauviniere/The Associated Press

Martina Hingis of Switzerland celebrating her victory Thursday over Monica Seles of the United States in their semifinal at the French Open.

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The IHT on-line http://www.iht.com

Son's Bribery Indictment Wounds Korean Leader

Compiled by Our Staff From Dispatches

SEOUL — A son of President Kim Young Sam of South Korea was charged Thursday with bribery and tax evasion in a corruption scandal that has crippled his father's administration.

The son's indictment was the final act in a four-month investigation that destroyed the president's hopes of influencing the choice of his successor and provoked violent student protests against corruption.

Kim Hyun Chul, 37, was charged with taking $3.6 million in bribes from two businessmen seeking government contracts and licenses and his influence in a court case over a stock dispute.

Prosecutors also charged him with taking $3.8 million in cash from four businessmen and laundering the money to evade $1.5 million in taxes. Those payments were not bribes, they said.

The younger Kim, arrested May 17, has denied wrongdoing. He is the first close relative of an incumbent South Korean president to face criminal charges. Such a prosecution move would have been unthinkable when the nation was ruled by the military leaders who preceded President Kim. If found guilty of both bribery and tax evasion, the son could be sentenced to life in prison.

The case has destroyed the president's credibility ahead of a December presidential election. By law, Mr. Kim cannot succeed himself, but he had hoped to influence the result.

Prosecutors also indicted Kim Ki Sop, a senior government intelligence official close to the president's son, for taking $169,000 in bribes from a businessman seeking a government cable television license.

In the past week, thousands of students demanding the president's resignation have clashed with the police almost daily. The clashes have left two people dead.

More than 1,000 students were detained in connection with the fighting.

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The Dollar		
New York	Thursday @ 3 P.M.	previous close
DM	1.7292	1.7288
Pound	1.6335	1.6332
Yen	115.655	116.295
FF	5.832	5.8306

The Dow		
	Thursday @ 3 P.M.	previous close
+58.25	7337.91	7269.66

S&P 500		
change	Thursday @ 3 P.M.	previous close
+7.18	847.29	840.11

Newsstand Prices			
Andorra	10.00 FF	Lebanon	L.L. 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,800 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Kingmaker Role May Fall Again to Spring as Irish Go to Polls

By James F. Clarity
New York Times Service

MOYVAN, Ireland — The most notable public event on a warm recent afternoon in this hamlet in rural southwest Ireland was the arrival of a huge white bus carrying Dick Spring, the local County Kerry boy who made good in Dublin.

And once again, Mr. Spring, who has been deputy prime minister three times in a 16-year political career and is also foreign minister and head of the Labour Party, may become the kingmaker in Irish national politics. On one side in the campaign for the election Friday is the incumbent government coalition of the Fine Gael party of Prime Minister John Bruton, Mr. Spring's Labour Party, the third largest in Ireland, and the smaller Democratic Left party. On the other is a coalition headed by Bertie Ahern, a former finance minister and leader of the Fianna Fail party, the largest in the country, supported by the much smaller Progressive Democrats.

The issues are taxes, crime, unemployment and which group would do a better job working with the British government to end the sectarian violence and bring peace to the British province of Northern Ireland.

[The last poll before voting starts showed Mr. Ahern's Fianna Fail and its Progressive Democrats ally nine points ahead, 49 percent to 40, Reuters reported. But the survey Thursday, in the Irish Independent, showed that as much as 14 percent of the 2.7 million electorate remained undecided.]

Most experts say that the results will be very close and that neither coalition may win the 84 seats needed to form a government in the 166-member Parliament. If that happened, Mr. Spring and Labour, which currently has 32 seats, would probably hold the balance of power. He could stick with Mr. Bruton's coalition, but if that still did not give the coalition enough seats, Mr. Spring could switch his support to the opposition group. Although he says he has no intention of doing this, he has not ruled it out categorically. In 1994, he put the Bruton coalition into power after he walked out of a coalition with Mr. Ahern's party.

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AT&T

A Medicine Woman's Legacy / **Following the 'Memory Trail'**

Tribe Owes Survival to Its Matriarch

By Douglas Martin
New York Times Service

UNCASVILLE, Connecticut — Gladys Tantaquidgeon knows how to make a tonic from 10 forest herbs. She knows that when the dogwood blooms it is time to fish for shad, that spiders bring good luck and that catnip heals colic in infants.

She knows these things because she is medicine woman for the Mohegan tribe and because three elderly women — her grandmothers, she calls them — took her under their wing and taught her the old lessons.

She, in turn, became a published anthropologist, a social worker to Indians of many tribes and a revered elder of her own, a tribe that might have evaporated into history's ether if not for her efforts and example. It is some example.

Gladys Tantaquidgeon turns 98 on June 15, and has never been sick enough to go to a doctor and has never needed glasses. When asked why, the medicine woman, who is barely 5 feet (1.5 meters) tall, smiles ever so slightly. She never ate hot dogs, she says.

Her importance to her people is immense. Federal researchers say that the things she knows and saved were pivotal in restoring tribal status to her people. That status, granted in 1994, has allowed the tribe to build the Mohegan Sun casino, which opened in southeastern Connecticut in October.

In its first six months the casino earned a pretax profit of $55.3 million, of which the tribe gets 60 percent. Already any Mohegan high school graduate is guaranteed a college scholarship of $20,000 a year. Other uses for the money include a new home for the elderly and an aggressive campaign to retrieve tribal artifacts.

Virginia DeMarre, a historian for the U.S. Bureau of Indian Affairs, said that Ms. Tantaquidgeon provided the key to proving tribal identity. While no one doubted the tribe's existence up to the beginning of this century, what was missing, she said, was concrete evidence, particularly after World War II, that the Mohegans — immortalized in James Fenimore Cooper's "Last of the Mohicans" — persisted as a tribal group.

Under the medicine woman's antique bed — in scores of Tupperware containers — were hundreds of postcards from Mohegans, as well as birth, marriage and death records. "We needed those pieces of paper," Ms. DeMarre said. "They left no questions whatsoever."

The historian said that Ms. Tantaquidgeon provided personal testimony to what kept the Mohegans intact: a line of matriarchs who functioned behind the scenes, keeping secrets and passing them on. And it has been the memory of Ms. Tantaquidgeon that mattered most.

In 1931 she and her father and brother founded a museum, the United States' oldest Indian museum run by Indians. The museum was also persuasive to federal researchers. It houses the things that define a culture, from a child's rattle made from a dog's skull to little baskets in which to put meat and berries for "the little people of the woodlands," tiny invisible beings in whom the medicine woman devoutly believes.

James Estrin/The New York Times

The New York Times

Gladys Tantaquidgeon, shown in her museum recently and gathering herbs as a young girl, saved old records that proved pivotal to the restoring of tribal status to her people.

The objects are illustrations in the story the medicine woman has worked to keep alive. "In my earlier years I perhaps wasn't aware that time was going by so rapidly, and later I realized that many had gone," she said. "I seemed always to be working against time."

So was Martha Uncas, a medicine woman who lived for 98 years and died in 1859. During her life, many Mohegans were dying of the plague and she took it as a duty to produce as many more as possible. She had many mates, replacing each as he died or left to hunt, look for work or fight wars. The majority of today's Mohegans are her descendants.

She passed her secrets to several women, including Fidelia Fielding, who before her death in 1908 at 81 was the last of them to live in a traditional log house.

YOUNG GLADYS also learned from two other "grandmothers," both taught by Martha Uncas and both octogenarians at death. Ms. Tantaquidgeon speaks of being taken into the forest with the older women at age 5 as they searched for herbs. "It was customary that the women would observe some of the girls," she said. "They would discuss their choice, saying, 'Perhaps it might be well to take this one to learn certain skills.' Then they would select someone."

Other Mohegans consider it likely that Ms. Tantaquidgeon long ago selected and trained her own successor, although such things are secret.

The medicine woman's life has not been predictable. What early education she received was at home. She met the anthropologist Frank Speck when he was studying Mohegan culture and made such an impression that he took her along on family vacations. In 1919, she began studying anthropology under him at the University of Pennsylvania.

When she returned home, she applied her knowledge to writing about her tribe, as well as traveling to other Indian communities. In 1931, she and her father and brother built the museum.

A series of jobs took her away from home. In 1935, she did social work with tribes in the western United States, and in 1938 she was one of the first employees of the new Indian Arts and Crafts Board. She helped win Indians the right to perform ceremonies like the sun dance that had been banned on their reservations.

In 1970, she published a book on folk medicine, with descriptions of magic rituals. In 1994, Yale University granted her an honorary doctorate for her work in herbal medicine.

She is not sure why she never married, although a plaque on her kitchen wall provides a clue. It reads: "Women's faults are many. Men have but two. Everything they say and everything they do."

Each morning, Ms. Tantaquidgeon walks up the hill from the home she shares with her sister, Ruth, 88, to her museum, where she delights in telling about the objects and the "memory trail" they represent.

Sometimes she tells people about Fidelia Fielding, who did not teach her the old tongue, because those who spoke Indian were often discriminated against. Ms. Tantaquidgeon recalls Fielding, the last speaker of her language, using the phrase "words strung like bright beads on the thread of the speaking past" to describe the treasure that would die with her.

"She instilled in us a sense of who we were," said Jayne Fawcett, a tribal vice chairwoman and Ms. Tantaquidgeon's niece. "We wouldn't have survived this century without her."

To the Poor of Congo, Democracy Means Food

By Cindy Shiner
Washington Post Service

KINSHASA, Congo — When Laurent Kabila's rebel forces seized this capital city last month, little did Mr. Kabila know that one of the first and most embarrassing challenges to his rule would come from people who could barely walk, let alone march through the city in protest.

It came from hundreds of disabled men — victims of polio, traffic calamities and other misfortunes — who for decades have been operating a lucrative business trading produce and other items across the Congo River between Kinshasa and Brazzaville, capital of the neighboring Republic of the Congo. On wheels or crutches or scooting along the ground on callused hands and knees, the men proved their strength over the years as they fought off whip-wielding dock guards, argued with corrupt soldiers and negotiated with tough market women on both sides of the river.

The men's sheer force of will — along with the special discount they received on customs duties — enabled them to become among the top earners of the urban poor here. Some made as much as $150 a week — a little less than the average Congolese earns each year.

So when Mr. Kabila's rebels shut down the ferry service to Brazzaville soon after seizing control of Kinshasa, citing security needs, members of the disabled community gathered on their crutches and squeaky hand-powered tricycles and protested.

They hobbled and wheeled over to the secretary-general's office, to the Interior Ministry and finally to the gates of the towering Intercontinental Hotel, where, in the early evening, an official of Mr. Kabila's new government gave in. He stood in the street and handed out cash to the hundred or so remaining marchers — about $10 apiece in the local currency, to hold them over until the ferry service resumed.

After a lightning military campaign that brought the rebels to power in just seven months, Mr. Kabila's government is sending mixed signals as it tries to replace Mobutu Sese Seko's system of one-man rule with something more akin to a working political structure. Pressed by foreign nations to foster multiparty democracy, Mr. Kabila has vowed to do so — but not before 1999. Although urged by opposition parties to include them in his new government, Mr. Kabila has installed a ruling structure dominated by his rebel movement and will rule by decree, without a legislature.

But many among this country's long-frustrated population of 36 million say they consider tangible improvement in their daily lives to be more important than political reform. In fact, many people say they interpret democratic change more in terms of having a better standard of living than in having the freedom to choose who will lead the country.

"We were abandoned by the government of Mobutu," said Elie Tsimpati, one of the demonstrators. "We want to see the new president and see what he can do for us."

The disabled are only the most vocal, and the most visible, of a growing chorus who want their needs met sooner rather than later. They are calling for flour, rice, chickens, sardines, salted fish, soap, sugar, beans and tomatoes. Add to that cash and tricycles. The group — which has coalesced into a union of about a dozen organizations of disabled traders, artists and intellectuals — also has called on the government "to make disappear, by concrete and efficient measures, the exploitation of man by man or citizen by the state."

Finance Minister Mwana Mawampanga said the concerns are being heard and understood, but that the means of addressing them are limited. "We know that the people have a lot of expectations, and I understand that," Mr. Mawampanga said. "But the truth of the matter is we are only human and we are trying to do our best. I'm not saying that we will change things overnight, but people will see the trend."

Inflation, which had reached as high as 6,000 percent in Mr. Mobutu's last years, is already on the decline, and prices have begun to fall. In addition, Mr. Mawampanga said, the Kabila administration plans to pay public servants, who haven't received salaries for months, by the end of June.

"I think they understand that we didn't come here to fill our pockets," he said. "They will know that we can't do everything, and they will do their part."

Many people have already begun to see results and appear willing to give the government time to show them it is committed to economic and social reform.

Tete Diama, a money-changer and mother of three, recalling the constant shakedowns that were characteristic of Marshal Mobutu's security forces, said: "Now we are at ease. The military doesn't bother us like they used to."

She added: "Even if you have a thousand dollars, nobody is going to take it from you. You can even walk to the market with money right in your hand and nobody is going to steal it."

Politics largely has taken a back seat to such day-to-day concerns. While many people still support former Prime Minister Etienne Tshisekedi — a longtime opponent of Marshal Mobutu's who has no connection with the rebels and consequently was left out of Mr. Kabila's government — protest marches by Mr. Tshisekedi's backers have dwindled.

"He only likes city strikes and things like that. We had five days of strikes, and there was no solution," said Mayikisa Okundalemba, a shoeshiner. "He complains about Rwandans being in the government, but there were Zairians in the government and what did they do? Nothing. He should let Kabila do his job."

Short-Circuit in Channel Tunnel Strands Car-Shuttle Passengers

The Associated Press

PARIS — A short circuit in a power line inside the Channel Tunnel temporarily stranded a car-shuttle train Thursday and caused delays in passenger service of up to 90 minutes, officials said.

It was the first major incident in the tunnel since a fire in November.

Both the car-carrying train and a passenger-carrying Eurostar train were stranded for about 20 minutes before they were able to move, said a spokeswoman for Eurotunnel, Mady Chabrier. The incident temporarily shut down the northbound tunnel and caused a halt of several hours in a trial truck-shuttle service.

The short circuit was caused by defective insulation in a power line, Eurotunnel said. Only two trains per hour ran each way through the tunnel while engineers worked on the power problem.

The incident stopped the car-shuttle train about 16 kilometers (10 miles) into the north tunnel, on the British side, on Thursday morning. There were 34 cars aboard the shuttle, or about one-fifth of its capacity, Eurotunnel said. Passenger trains were delayed by up to 90 minutes Thursday, but none canceled.

Truck transport was the last service to be restored after the Nov. 18 fire in which eight people suffered smoke inhalation. Truck transport was restarted on May 29, and Eurotunnel has been carrying trucks free of charge pending authorization for a full resumption of freight traffic, which it hopes to receive by mid-June.

The resumption of the service is seen as essential for Eurotunnel, which is struggling to secure shareholder and bank support for a plan to restructure its $12 billion debt.

■ EU Worried by Ferries Merger

The European Commission has "serious doubts" about the implications of plans by Peninsular and Oriental Steam Navigation Co. of Britain and Sweden-based Stena Line AB to merge most of their services across the English Channel, Agence France-Presse reported from Brussels.

The two companies will receive a letter outlining the concerns of the commission's antitrust directorate by June 11, a move that effectively blocks the alliance.

Commission officials said they were concerned that the link-up would create a duopoly for cross-Channel transit.

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today?

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TRAVEL UPDATE

Athens Strike Leaves Garbage Piling Up

ATHENS (Reuters) — A four-day strike by Athens municipal workers has left 5,000 tons of uncollected garbage on the streets of the Greek capital, posing health risks because of high temperatures, officials said Thursday.

Athenians and thousands of tourists were forced to dodge piles of rotting garbage piled up on pavements, outside cafés and at the entrances of museums and archaeological sites. Temperatures went as high as 30 degrees centigrade (86 Fahrenheit.)

"If the Athens municipality does not take the appropriate measures to declare the strike illegal in line with existing laws then we will do it," said Deputy Interior Minister Lambros Papadimas.

U.S. Airline-TV Tie-In Will Earn Free Miles

NEW YORK (AP) — Watching television will soon help people earn frequent-flier miles on American Airlines — as long as they tune their set to ABC. Members of the airline's AAdvantage Club frequent-fliers' program can earn free miles by watching ABC programs, the two companies have announced.

AAdvantage Club members will have to complete surveys to prove they have watched ABC, which fell to third place among viewers during the 1996-97 season. It was not immediately clear how many miles can be earned through the promotion, which begins in September.

The number of people killed or seriously injured in road accidents in Britain has fallen to the lowest level since records began in 1926, the government said Thursday. In 1996, there were 3,598 deaths compared with 3,621 the year before. *(Reuters)*

BA Jet With Drugged Co-Pilot Tried to Land in Wrong Direction

Reuters

LONDON — A British Airways pilot tried to land in the wrong direction at Gatwick Airport after the co-pilot took sleep-inducing pills, apparently by mistake, and collapsed, investigators said Thursday.

The Air Accident Investigations Branch said the pilot of the Boeing 767 airliner, which had 166 people on board, thought he was supposed to be landing on Gatwick's sole runway from the left, although controllers had mentioned three times that planes should land from the right. The plane, which was en route from Pittsburgh, was forced to abort its approach to give the pilot time to reprogram the on-board computers and land safely. The incident took place in December.

A British Airways spokesman said, "The procedures for landing an aircraft with one of the crew incapacitated were followed, and at no time was the safety of the passengers, crew or aircraft compromised."

The Air Accident Investigations Branch told British Airways to make sure its pilots were aware of what medication they could safely take when on duty.

The co-pilot had taken what he said he thought were paracetamol-type painkillers. But the pills contained a mixture of paracetamol and codeine phosphate — which British authorities consider to be incompatible with flying duties.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Cool in the Northeast with scattered showers; Virginia through the Carolinas will be quite cool with a wind off the Atlantic. Showers and heavier thunderstorms will erupt from West Texas into the Rockies and over New Mexico and Arizona. Very warm across the Plains.

Europe A storm in the Atlantic will bring wind-driven rain to most of the British Isles through the weekend. Very cold air will plunge southward across Iceland, where snow is possible. In contrast, very warm air will surge north out of Algeria and into southern France and Italy.

Asia Soaking rains will continue across southeastern China over the weekend, while the northwest will be sunny, dry and warmer. Beijing may have some showers early Saturday, then lots of sun and warm through Monday. Cool in Tokyo this weekend with showers possible, then nicer Monday

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	24/75	16/64 pc	23/73	15/59 pc
Amsterdam	26/79	20/68 c	26/79	15/61 r
Ankara	23/73	8/43 pc	23/73	10/50 c
Athens	24/75	18/64 c	25/77	18/64 c
Barcelona	27/80	19/66 pc	28/82	20/68 pc
Belgrade	25/77	16/61 r	27/80	12/53 pc
Berlin	27/80	16/61 s	29/84	14/57 s
Brussels	26/79	19/66 c	27/80	15/61 r
Budapest	26/79	14/57 pc	27/80	13/55 s
Copenhagen	24/75	14/57 s	27/80	17/62 s
Costa Del Sol	28/79	17/62 pc	28/79	18/64 c
Dublin	17/62	12/53 r	17/62	11/52 r
Edinburgh	18/64	14/57 r	18/64	10/50 sh
Florence	25/77	16/61 pc	28/82	18/64 pc
Frankfurt	28/82	14/57 s	30/86	16/61 s
Geneva	26/79	16/61 pc	30/86	17/62 pc
Helsinki	20/68	8/46 s	23/73	12/53 s
Istanbul	23/73	14/57 pc	25/77	17/62 pc
Kiev	20/68	9/48 pc	22/71	12/53 pc
Las Palmas	26/79	20/68 pc	26/79	20/68 s
Lisbon	22/71	15/61 r	22/71	13/55 s
London	22/71	16/64 sh	23/73	12/53 pc
Madrid	27/80	14/57 pc	26/79	14/57 c
Mallorca	24/75	19/66 s	26/79	21/70 pc
Milan	26/79	19/66 c	31/88	20/68 pc
Moscow	19/66	13/55 c	22/71	13/55 c
Munich	25/77	13/55 sh	27/80	18/61 pc
Nice	24/75	19/66 pc	27/80	21/70 s
Oslo	23/73	12/53 s	23/73	17/62 r
Paris	24/75	18/64 c	24/75	14/57 t
Prague	24/75	13/55 pc	27/80	14/57 s
Reykjavik	6/43	1/34 c	4/39	-1/31 c
Riga	21/70	10/50 s	23/73	12/53 s
Rome	24/75	14/57 pc	28/79	17/62 s
St. Petersburg	19/66	11/52 s	22/71	13/55 s
Stockholm	21/70	10/50 s	23/71	13/55 s
Strasbourg	27/80	17/62 c	31/88	18/64 s
Tallinn	20/68	9/48 s	23/73	10/61 s
Tbilisi	24/75	18/61 r	25/77	16/61 r
Venice	24/75	17/62 c	28/79	19/66 r
Vienna	23/73	14/57 r	28/79	14/57 c
Warsaw	23/73	10/50 s	23/73	11/52 s
Zurich	24/75	16/61 c	28/82	15/64 pc

Middle East

Abu Dhabi	35/95	22/71 s	36/97	22/71 r
Beirut	22/71	17/62 s	23/73	18/64 pc
Cairo	33/91	18/64 s	35/97	21/70 s
Damascus	23/84	13/55 s	31/88	15/59 s
Jerusalem	25/77	12/53 s	27/80	14/57 s
Luxor	43/109	18/64 s	44/111	21/70 s
Riyadh	41/106	23/73 s	42/107	25/77 s

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	29/82	9/48 s	29/84	13/55 sh
Bali	32/89	20/68 s	31/88	20/68 s
Bangkok	32/89	24/75 sh	32/89	24/75 c
Beijing	29/84	19/66 pc	28/82	19/66 r
Bombay	33/91	25/77 s	32/89	26/79 s
Calcutta	36/100	26/79 pc	36/100	27/80 pc
Chiang Mai	33/91	22/71 c	32/89	23/73 c
Colombo	29/84	23/73 pc	28/82	23/73 pc
Hanoi	32/89	26/79 pc	31/88	26/79 pc
Ho Chi Minh	32/89	23/73 t	31/88	23/73 sh
Hong Kong	31/88	25/77 pc	29/84	24/75 pc
Islamabad	41/106	23/73 s	41/106	24/75 s
Jakarta	31/88	23/73 pc	30/86	23/73 pc
Karachi	33/91	25/77 pc	32/89	24/75 pc
K. Lumpur	32/89	23/73 pc	32/89	24/75 t
K Kinabalu	32/89	21/70 pc	30/86	20/68 pc
Manila	33/91	23/73 pc	32/89	23/73 pc
New Delhi	40/104	27/80 pc	42/107	27/80 s
Phnom Penh	32/89	22/71 sh	31/88	22/71 sh
Phuket	32/89	24/75 sh	32/89	24/75 c
Rangoon	33/91	24/75 s	32/89	23/73 c
Seoul	29/79	16/61 pc	25/77	16/61 pc
Shanghai	33/91	23/73 s	32/89	24/75 pc
Singapore	31/88	23/73 r	29/84	21/70 t
Taipei	31/88	24/75 sh	31/88	24/75 c
Tokyo	23/73	15/59 r	21/70	18/61 pc
Vientiane	32/89	23/73 pc	31/88	25/77 pc

Africa

Algiers	28/82	17/62 s	34/93	20/68 s
Cape Town	16/61	12/53 c	17/62	8/48 c
Casablanca	26/77	17/62 s	24/75	17/62 pc
Harare	29/84	13/55 pc	29/84	13/55 pc
Lagos	29/84	25/77 t	30/86	23/73 pc
Nairobi	23/73	13/55 sh	26/79	12/53 c
Tunis	26/79	15/59 s	29/84	17/62 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	16/61	9/48 sh	17/62	9/48 pc
Atlanta	20/68	15/59 r	28/84	18/64 pc
Boston	20/68	12/53 pc	17/62	12/53 pc
Chicago	22/71	12/53 sh	22/71	12/53 sh
Dallas	31/88	19/66 s	31/88	20/68 pc
Denver	29/79	13/55 t	28/79	11/52 pc
Detroit	22/71	12/53 c	18/68	13/55 sh
Honolulu	31/88	23/73 c	31/88	23/73 pc
Houston	32/89	21/70 s	32/89	21/70 pc
Los Angeles	26/79	18/64 s	28/82	15/59 pc
Miami	32/89	24/75 pc	32/89	24/75 pc
Minneapolis	25/77	12/53 pc	23/73	13/55 pc
Montreal	22/71	13/55 pc	21/70	12/53 pc
Nassau	32/89	26/77 sh	33/91	25/77 pc
New York	24/75	14/57 pc	20/68	13/55 sh
Orlando	32/89	21/70 t	32/89	23/73 t
Phoenix	37/99	21/70 pc	34/93	22/71 t
San Fran.	22/71	13/55 s	22/71	12/53 pc
Seattle	20/68	11/52 c	20/68	11/52 c
Toronto	23/73	6/48 pc	19/66	11/52 r
Vancouver	17/62	7/44 pc	17/62	7/44 pc
Washington	23/73	14/57 pc	21/70	14/57 sh

Latin America

Buenos Aires	10/50	3/37 c	8/46	6/43 r
Caracas	31/88	24/75 c	30/86	24/75 t
Lima	22/71	16/61 pc	23/73	16/61 s
Mexico City	28/82	14/57 pc	22/71	12/53 c
Rio de Janeiro	24/75	18/64 sh	24/75	19/61 pc
Santiago	8/46	-3/27 pc	14/57	6/41 s

Oceania

Auckland	13/55	7/44 c	13/55	8/46 pc
Sydney	22/71	14/57 pc	18/64	8/46 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Clinton to Form Panel On Race Relations

Move Is Part of Effort to Stimulate Debate

By James Bennet
New York Times Service

WASHINGTON — After months of White House debate over how to improve race relations and add heft to President Bill Clinton's second term, Mr. Clinton has decided to hold town hall meetings and other events on race around the country, appoint a high-powered advisory panel and write a report next year summarizing his findings.

But the overall goals of the president's race initiative appear fuzzy, and some leaders of civil rights groups are worried that it may be intended more to burnish Mr. Clinton's image than to address intense issues that divide along racial and ethnic lines.

Contributing to the skepticism is the leaders' grievance that the administration is doing too little to protect the rights of minority members. Just last week, the Reverend Jesse Jackson sent a scalding three-page letter to the president, attacking what Mr. Jackson called the "shameful disrepair" of the administration's structure to enforce civil rights laws.

On Wednesday, Mr. Clinton met for an hour with Mr. Jackson, who had complained that the White House had rebuffed his requests for such a meeting "over the past several months."

The president plans to announce late next week that he will hold the town hall meetings and other events to increase discussion of relations among whites, blacks, Latinos, Asian-Americans and other groups, said White House officials and others familiar with the administration's intentions.

Mr. Clinton plans to appoint not a commission on race but a small advisory board with a large staff. It will solicit and gather research on race relations over the last 50 years and make projections on how they will change over the next 50 years.

Some White House aides had worried that a commission, which would write a report on its findings, would be buffeted by interest groups and would draw the spotlight away from the president.

Instead, officials said, Mr. Clinton will write the report, summarizing his vision for diversity and broadly describing steps that individuals, businesses, churches and government at all levels could take. They said they expected the public discussion, if not the final report, to address such subjects as affirmative action in awarding contracts.

Sounding a theme repeated by others, a senior White House official said, "The effort is about how do we live together in a united and strong America while respecting each other on the issue of race."

The White House has been scrambling to assemble the initiative in time for the president to announce it in a commencement address in San Diego.

POLITICAL NOTES

Charles Rex Arbogast/The Associated Press

Christine Whitman, who is running for re-election as governor of New Jersey, listening to a complaint about high property taxes as she toured the state after running unopposed in the Republican primary.

Disaster-Relief Bill Faces Showdown

WASHINGTON — Congressional Republicans set a course for a veto showdown with President Bill Clinton by insisting that an $8.6 billion disaster relief bill include two policies the president strongly opposes.

The bill, triggered by this year's devastating floods in the upper Midwest, has been mired in partisan bickering for weeks, with Democrats accusing Republicans of delaying aid for flood victims while pursuing their own political aims.

The legislation includes $5.4 billion for 35 states hit by floods, tornadoes, mudslides and other natural calamities, and $1.9 billion for peacekeeping operations in Bosnia-Herzegovina and the Middle East. But Mr. Clinton has pledged to veto it over two arcane but politically consequential matters.

One would ban the Census Bureau from using a statistical technique to compensate for suspected undercounts of inner-city blacks and Hispanics. Because the census is used to determine congressional districts, that question could have a significant impact on which party controls the House after the 2000 head count.

The other measure would prevent government shutdowns such as those during the budget battles two years ago. *(WP)*

Texas Hits at HMOs

HOUSTON — In one of the sharpest reactions yet in the nationwide backlash against the power of health-maintenance organizations, Texas will soon become the first state where consumers will explicitly be allowed to sue their HMOs for medical malpractice.

"The delivery of health care has changed over the past decade," said David Sibley, a doctor and Republican state senator from Waco who successfully sponsored the legislation. "Dr. Marcus Welby is dead. A third party has inserted itself into the treatment room, operation room and examination room. And I can think of no reason why a doctor should be held accountable for a decision but an HMO should not."

For years, HMOs have argued that they should be shielded from medical negligence or malpractice claims. They assert that they are not in the business of practicing medicine, only of administering insurance policies.

But consumers, plaintiffs' lawyers and many doctor groups say the insurance companies, in a drive to cut costs, have interposed themselves in medical decisions — by refusing to pay for treatments that doctors recommend, by delaying such care or by forcing doctors to try less expensive and less effective approaches first. Thus, said the bill's advocates, the companies should be liable. *(NYT)*

Quote/Unquote

Nicholas Burns, the State Department spokesman, on Richard Holbrooke, the diplomat who will spend a week each month away from his job as an investment banker to tackle the Cyprus problem: "He'll work about 160, 170 hours a week, maybe 200 or 300 hours in a week, if he could do that." *(IHT)*

Away From Politics

- **The police in Memphis, Tennessee, were questioning five men** after recovering grenades and rifle ammunition believed stolen from an FBI truck loaded with weapons. More than a dozen assault weapons and thousands of rounds of ammunition remained missing. *(AP)*
- **The son of Time Warner's chief executive** was tortured with a steak knife to make him reveal the access code to his automatic teller machine card, then killed with a shot to the head, according to published reports. The killer then went to a nearby Chase Manhattan Bank cash machine and withdrew $800 from Jonathan Levin's account, the Daily News said, quoting unidentified police sources. *(AP)*
- **The CIA double-agent Harold Nicholson was sentenced** Thursday to 23 years and seven months in prison for spying for Russia. Mr. Nicholson, 46, pleaded guilty March 3 to selling U.S. national-security secrets to Moscow for two and a half years. *(Reuters)*
- **Children born to Gulf War veterans** do not have an unusual pattern or frequency of birth defects, according to new research. In addition, there is no relationship between the length of time a soldier spent in the Gulf and the risk of having a child with a birth defect, a team of military and civilian scientists has found. *(WP)*
- **Texas tied its 1935 record for executions** in a year by putting to death its 19th and 20th murderers this year: a man who had shot a convenience-store clerk and a gang leader who had ordered the beating death of a teen-age girl. *(AP)*
- **A Stealth fighter jet skidded off the runway** at Holloman Air Force Base in New Mexico while returning from a routine training mission, injuring the pilot and causing more than $1 million in damage to the plane. The F-117A Nighthawk's nose and main landing gear collapsed, base officials said. *(AP)*

Judge Punishes IRS for 'Reprehensible Abuse' of Taxpayer

By David Cay Johnston
New York Times Service

NEW YORK — A federal judge in Denver has awarded $250,000 in punitive damages to a woman whose family's business was raided by armed Internal Revenue Service agents four weeks after she insulted an IRS agent.

The agents padlocked all three Kids Avenue clothing stores in Colorado Springs, and posted notices that clients interpreted as evidence that the woman, Carole Ward, 49, was a drug smuggler.

In a harshly worded 17-page opinion, Judge William Downes of the U.S. District Court in Denver found that one of the IRS agents, James Dolan, was "grossly negligent" and acted with "reckless disregard," and that he made three false statements in a sworn declaration.

The judge, who said the actions by the agents violated Ms. Ward's privacy rights, wrote that the punitive damages award "gives notice to the IRS that reprehensible abuse of authority by one of its employees cannot and will not be tolerated."

The judge also awarded Ms. Ward $75,000 in actual damages plus lawyers' fees. The IRS declined to comment on the decision.

The case began in 1993 when an agent, Paula Dzierzanowski, audited tax returns filed by Tristan Ward, who was then 20. He listed himself as the owner of Kids Avenue and his mother as a dependent.

Ms. Ward said she accompanied her son to one audit, a rancorous meeting that ended, according to testimony, with Ms. Ward telling Ms. Dzierzanowski: "Honey, from what I can see of your accounting skills, the country would be better served if you were dishing up chicken-fried steak on some Interstate in West Texas, with all the clunky jewelry and big hair."

The raid was made four weeks later, after Ms. Dzierzanowski asserted that the government was in danger of not collecting $324,000 in income taxes. In court papers, the agent said her action stemmed from questions about whether the son really owned the business and concerns over Ms. Ward's travels to Ecuador, where her husband lives.

Three months after the raid, the government settled the tax dispute, covering six years, for $3,485.

"I never should have spoken condescendingly," Ms. Ward said. "That was wrong, but what they did to me for mouthing off was criminal."

U.S. Army Sergeant in Germany Is Convicted in Sex Inquiry

By William Drozdiak
Washington Post Service

DARMSTADT, Germany — A U.S. military jury cleared an army sergeant of rape and sodomy charges Thursday but found him guilty on multiple counts of indecent assault, in the first conviction of an American soldier serving at a foreign base since the U.S. Army launched a worldwide inquiry into charges of sexual harassment in its ranks.

Sergeant First Class Julius Davis, 36, was judged guilty by a five-member all-male jury on 11 counts involving sexual misconduct after more than a dozen women testified that he had behaved improperly toward them. Mr. Davis faces a maximum penalty of 31 years in prison and a dishonorable discharge plus loss of all benefits.

Mr. Davis is one of three instructors accused of sex-related crimes at this training base, about 30 miles (48 kilometers) south of Frankfurt, where soldiers attend a two-week orientation after arriving for duty in Germany.

The trial was the first sex scandal to affect American military forces in Europe in the wake of accusations of sexual impropriety at a training center in Aberdeen, Maryland, that led to the appointment of a blue-ribbon military panel to investigate the scope of the problem in the U.S. Army.

In closing arguments, the prosecutor, Major Michael Klausner, argued that Mr. Davis had exploited his rank to take advantage of newly recruited female soldiers and intimidated them into not reporting his abuses. He called Mr. Davis "a sexual predator in a target-rich environment."

The defense attorney, Major Linda Taylor, depicted Mr. Davis as a victim of a "witch hunt" conducted by criminal investigators engaged in a frenzied campaign to uncover evidence of sexual harassment after three sergeants were convicted at Aberdeen.

Major Taylor said nine investigators had spent 4,000 hours interviewing 100 women and 50 men in building their case against Mr. Davis.

Army spokesmen said other instructors soon would be court-martialed on sexual-harassment charges as well. Sergeant First Class Paul Fuller is expected to appear in court next week on 17 charges including rape, sodomy and cruelty to a subordinate; Staff Sergeant Robert Robinson has been accused of sexual misconduct and remains under investigation.

The first news that sex scandals had spread to U.S. military bases in Europe came in February, when the army said 11 female soldiers had lodged complaints against the three instructors at the army's training base in Darmstadt. As the investigation unfolded, more women stepped forward with allegations of improper sexual advances.

All three sergeants were relieved of their duties when the first allegations were made in February, and Mr. Davis and Mr. Fuller were taken into custody. At the same time, the commander of the Darmstadt training center, First Sergeant George Watlington of Greensboro, North Carolina, was reassigned and is under investigation for dereliction of duty. He was replaced by a woman.

Until these incidents surfaced, the U.S. Army command in Europe was expressing pride at the way it said male and female soldiers were serving harmoniously abroad, including in missions with the NATO-led peacekeeping force in Bosnia.

Mr. Davis, who is from Fayetteville, North Carolina, was accused by a female soldier of making unwanted advances during their time together in Bosnia.

But Major Taylor insisted that many of the women had been pressured to testify against Mr. Davis in the mistaken fear that they could be prosecuted for crimes of their own if they did not. She said many women soldiers had expressed admiration for Mr. Davis and willingly sought his company even after the alleged sexual misconduct occurred.

Clinton Lawyer Shifts on Citing Jones's Past

By Peter Baker
Washington Post Service

WASHINGTON — President Bill Clinton's lawyer has abruptly shifted direction and disavowed any plans to attack Paula Jones's past sex life as part of his strategy to defend against her allegations of sexual harassment.

The attorney, Robert Bennett, said Wednesday that he had been misunderstood when he told television audiences over the weekend that he was prepared to "put her reputation at issue" if the Jones camp tried to use reports of previous Clinton dalliances.

"It was never my intention of attacking her sex life, and it's not my intention now," Mr. Bennett said in an interview. "My reference to her reputation was her reputation for veracity."

His new statement came after the White House received complaints from women who said they felt betrayed by a president who had championed their causes and from conservatives accusing Mr. Clinton of hypocrisy.

The controversy over Mr. Bennett's comments kept alive a story Mr. Clinton had hoped would fade away, at least temporarily, after a unanimous Supreme Court decision last week rejecting his request that Ms. Jones's lawsuit be delayed until after he leaves office.

While saying Mr. Bennett spoke for the president on the matter, the White House pointed out Mr. Clinton's support for a 1994 law aimed at limiting interrogations of victims of sexual crimes.

Mr. Bennett has been investigating Ms. Jones's past as part of his preparation of Mr. Clinton's defense. His team took an affidavit Saturday from a man who said he was once her supervisor at an Arkansas store and alleged that she had propositioned him, slept with him and ultimately had had to be fired for unprofessional behavior.

On Sunday, Mr. Bennett appeared on several talk shows and said "it's a two-way street" when asked about attempts by Ms. Jones to introduce Mr. Clinton's sex life into the case.

Ms. Jones's attorneys have suggested they may produce evidence that Mr. Clinton, when he was the governor of Arkansas, used state troopers who were acting as his bodyguards to solicit women for him. Ms. Jones has alleged that she was solicited in such a manner during a state conference at a hotel in Little Rock in May 1991.

Mr. Bennett said his main goal would be to win an agreement or a judge's ruling that would put the past lives of both Mr. Clinton and Ms. Jones out of bounds. He said Ms. Jones's sex life would not be relevant except to the extent that she makes her reputation a basis for her claim of being injured.

"The only way Paula Jones's past sex life will come into this case is if she puts it into issue, and even then, because of the political sensitivity of the issue I. in all likelihood, will not pursue it," he said.

Daniel Lehner, of Inflight News, Dies

By Enid Nemy
New York Times Service

NEW YORK — Daniel Lehner, 49, the president of Inflight Newspapers, a corporation that distributes newspapers and magazines to airlines and hotels around the world, died of a heart attack Tuesday while attending a concert at Radio City Music Hall.

Mr. Lehner, with his wife and others in the audience, was dancing in the aisle during a performance by Erasure, a pop group, and collapsed after returning to his seat.

Last year, he made what he called a six-figure investment in a company called International Fighter Pilots Academy. The business, started by an Australian executive, tries to attract civilians from around the world to an air base in Ukraine where they pay as much as $10,000 to fly in Soviet-built fighter aircraft.

After finishing high school, Mr. Lehner began working in the family newspaper and magazine distribution business in Queens begun by his grandfather in 1936.

The distribution business developed from a chance visit by a secretary from Trans World Airlines to what was then a small family candy store. She asked for some expensive Cuban cigars that the store did not carry. Mr. Lehner's father jumped in a car and returned with the cigars. She was so impressed that she recommended the store to officials at the airline; soon the Lehners were delivering newspapers to the airline and a multimillion-dollar business was begun.

Dennis James, 79, the host of a string of hit game shows, including "The Price is Right" and "Name That Tune," died of cancer Tuesday in Palm Springs, California. According to reference books, he was the first host of a TV variety show, first host of a TV sports show, first master of ceremonies of the Easter Parade telecast, first on-the-spot live TV newsreel commentator and the first TV wrestling announcer.

George Fenneman, 77, whose deferential manner provided a counterpoint to the wise-cracking Groucho Marx on the television quiz show "You Bet Your Life," died of emphysema May 29 in Los Angeles. Bob Dwan, director of "You Bet Your Life," said: "He was the perfect foil for Groucho. We didn't pick him for that reason, however. We picked him because he was very bright, someone who could keep track of the quiz score and do the math on the spot."

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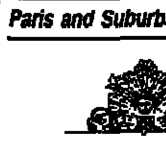

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Amid Secrecy, Labor Activist Is Reported Freed by China

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Amid Secrecy, Labor Activist Is Reported Freed by China

Reuters

SHANGHAI — A prominent Shanghai dissident has been freed from a Chinese labor camp after being detained for three years without trial, friends of his family said Thursday.

Bao Ge, 33, had written to his family in May saying he expected to be released on the eighth anniversary of the Chinese crackdown on pro-democracy demonstrations in Beijing on June 4, 1989.

Telephone lines to his family's Shanghai home were cut, a family friend said. She added that before releasing Mr. Bao, the police warned family members not to talk to journalists.

Family members could not be contacted for comment.

Mr. Bao was sentenced in September 1994 to three years of "re-education through labor," a form of administrative detention that can be imposed without trial.

Mr. Bao's mother, Wang Yufen, said earlier there was no link between his release and the anniversary Wednesday of the crackdown, but a Western diplomat said she doubted it was sheer coincidence.

She said it was a message that the Chinese authorities "are comfortable enough with this day that they can go ahead and do this."

Mr. Bao had been a member of the Shanghai-based Association for Human Rights, but was better known as a campaigner for compensation from Tokyo for Chinese victims of Japanese war atrocities.

■ Diplomat Gets Hong Kong Post

China announced the appointment Thursday of a former ambassador to Britain, Ma Yuzhen, as its top civilian official in Hong Kong after the British colony reverts to Chinese rule July 1, Reuters reported from Beijing.

A Foreign Ministry spokesman, Cui Tiankai, said Mr. Ma would be the commissioner in the Hong Kong Special Administrative Region. He was ambassador to Britain from 1991 to 1995.

Mr. Ma, 62, and the garrison commander, General Liu Zhenwu, will be Beijing's most senior officials in Hong Kong after the transfer.

Hong Kong's domestic affairs will be run by Hong Kong residents after the handover, but foreign affairs and defense will remain the central government's domain.

THE INTERMARKET Continues on Page 17

Lisa Taiwan/Agence France-Presse

TAIWAN FLOODING — Fire fighters using a raft Thursday in Niao Sung, southern Taiwan, to rescue citizens stranded after three days of heavy rains. The floods caused the closure of hundreds of factories.

BRIEFLY

Taleban Reported in Peace Bid

ISLAMABAD, Pakistan — Afghanistan's Taleban rulers are reported to have offered its opponents control of the northern part of the country as part of a peace plan.

The proposal was announced Thursday by Pakistan, which is allied to the fundamentalist Muslim Taleban. The Pakistani Foreign Ministry said the plan would set up a de facto federation between the Taleban, which controls the capital, Kabul, and its enemies in the north.

The Taleban's foes, who are mainly members of ethnic minorities, were not immediately available for comment.

The reported proposal follows fierce battles between the Taleban religious army and an alliance of forces led by the former government's military chief, Ahmed Shah Masoud. The alliance pushed the Taleban out of northern Afghanistan last week. *(AP)*

Drug Suspect Heads to U.S.

BANGKOK — The suspected mastermind behind the biggest shipment of heroin ever seized in the United States left a Bangkok prison Thursday for a journey to New York, where he will stand trial on drug charges.

Li Yung Chung was arrested in Bangkok last year but fled to Burma in February. Burma sent him back last month, and a Thai court ordered him extradited to the United States.

Mr. Li, a Burmese-born Chinese, was indicted last year in connection with 1,070 pounds (486 kilograms) of heroin seized in California in 1991. The drugs were destined for New York. *(AP)*

Hun Sen Warns Political Rival

PHNOM PENH — Second Prime Minister Hun Sen vowed Wednesday to use force to keep the nominal leader of the Khmer Rouge, Khieu Samphan, out of the Cambodian capital.

Mr. Khieu Samphan said recently that he had formed a political party independent of the Khmer Rouge to take part in elections next year.

But Mr. Hun Sen indicated he still viewed Mr. Khieu Samphan as a member of the Khmer Rouge faction that has refused to make peace with the government. "The armed forces will not allow it," Mr. Hun Sen said of the prospect of Mr. Khieu Samphan in Phnom Penh. *(AP)*

Korean Boats Exchange Fire After North's Vessel Crosses Border

The Associated Press

SEOUL — A North Korean patrol boat escorting a fishing fleet crossed the inter-Korean border Thursday and exchanged fire with a South Korean gunboat, South Korea said.

No casualties were reported in the intrusion, the most serious since a North Korean submarine carrying 26 armed spies and crewmen ran aground off South Korea's east coast in September 1996.

The North Korean ship fired three rounds from a naval gun at the southern gunboat, which responded with two shots of its own, the Defense Ministry said.

The ministry said each ship fired behind the other's stern. It characterized all five rounds as warning shots.

The incident began when the South Korean gunboat approached the North Korean naval vessel and its accompanying fishing boats after they crossed the nautical border near Yonpyong Island, 145 kilometers (90 miles) west of Seoul, the ministry said. Although the intrusion appeared to be unintentional, the Defense Ministry said it was investigating.

■ U.S. Wheat Deal Falls Through

Though it is reported to be on the brink of famine, North Korea has backed out of a rare deal to buy wheat from the United States, The Associated Press reported.

As the grain was about to be delivered last week, the Communist government told Cargill Inc., a commodity trading company, that it would not follow through with a deal to trade about 4,000 tons of zinc for 20,000 tons of wheat, a Cargill spokeswoman said Thursday. The contract had been months in the making.

"Regretfully, we will not deliver the wheat under these circumstances," the spokeswoman, Lori Johnson, said.

ASEAN: Less Is More

Unlike EU, It Moves Slowly on Integration

By Michael Richardson
International Herald Tribune

SINGAPORE — When asked recently what he had found unique about ASEAN, Vu Khoan, the deputy foreign minister of Vietnam, thought for a moment then replied with a smile: "Having to try to play golf and sing karaoke, because it leads to quiet diplomacy."

As the 15 nations of the European Union wrestle with the problems of achieving a single currency and monetary union, the Association of

NEWS ANALYSIS

South East Asian Nations, which is Asia's most successful cooperative grouping of states, is taking a decidedly less ambitious path toward integration.

When economic ministers from the seven countries in ASEAN — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — meet in Jakarta next week to discuss an economic vision for the next century, it will not be on the EU model of treaty-based common institutions and diminishing national sovereignty.

"We think that the best way to achieve greater unity from our political and economic diversity is to move more informally by consensus at a speed all our members can accept," an Indonesian official said Thursday. "We also think that national sovereignty is compatible with integration of our markets."

Even when Burma, Cambodia and Laos join ASEAN in July, giving the group a combined population of 480 million and a combined gross domestic product of $590 billion, its secretariat in Jakarta will remain small and its budget modest.

Yet Noordin Sopiee, chairman of Malaysia's Institute of International and Strategic Studies, estimates that if purchasing power parity is used as a gauge of economic strength, an ASEAN with 10 members will have a gross domestic product of $1.6 trillion, which would make it "economically almost two thirds the size of Japan today."

While ASEAN is pressing ahead with plans to form a preferential Free Trade Area by 2003 to bolster growth and investment, it seems content to lag way behind Europe in formal political and economic integration.

When leaders of the 10 countries of Southeast Asia met for the first time in December 1995, Goh Chok Tong, Singapore's prime minister, noted that although rapid progress was being made toward a "common house of Europe, the extended family home of Asia may be 50 years or even 100 years away."

Officials say that when ASEAN was formed nearly 30 years, it set itself different goals to those being set then in the EU.

ASEAN is not aiming for supranational government. Instead it wants to strengthen political cooperation among its members so that trade, investment and economic growth can occur in a favorable climate — one that is peaceful and predictable.

To that end, officials and ministers of the group meet regularly — at last count, about 240 such meetings a year — to chart practical collaboration.

So far, the results of this limited integration approach have been impressive.

In the last decade, ASEAN economic growth averaged 7.5 percent a year, more than double the 3.2 percent annual growth rate for the rest of the world.

In the same period, average per capita income for the ASEAN countries has more than doubled to $1,700, from $700, while the group's trade increased by 17 percent each year, compared to the global level of 10 percent.

Trade among ASEAN members leaped from $2 billion in 1970 to more than $125 billion in 1996, with the sharpest rises recorded in the last few years as the tariff-cutting schedule of the free trade program started to kick in. Under the program, officials say that today's average import duty of about 8 percent will fall to 3 percent on nearly all traded goods by 2003.

But some ASEAN officials and analysts worry that the entry of Burma, Cambodia and Laos in July will slow the group's decision-making and its progress toward regional free trade.

The three new members may be a heavier political and economic liability than many of the European and Mediterranean countries queuing up for membership in the EU.

Laos, like Vietnam, which joined the group less than two years ago, is Communist-ruled. Burma is run by a military regime that has been widely condemned — especially by Western nations that have close ties with ASEAN — for repressing democracy and violating human rights. Cambodia is virtually paralyzed by government infighting as it struggles to recover from years of civil war.

"ASEAN works on the basis of consensus," Mr. Noordin said. "It is one thing — often a very difficult thing — to secure consensus among the present seven ASEAN members. It is a different thing to generate consensus among a group of 10, many of whom have little experience in the ASEAN tradition of "agreeing to disagree without being disagreeable."

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ERICSSON

Ericsson to develop next-generation wireless technology for high-speed multimedia services

Is there no limit to the development potential of wireless communications?

It's a timely question to ask, following the announcement by Ericsson of a contract to jointly develop an experimental third-generation wireless communications system for high-speed multimedia traffic such as Internet services.

Video by mobile phone

In the near future we shall have to change our views on the role and capabilities of the mobile phone. Today, as around 150 million users around the world can confirm, a mobile phone is a convenient and cost-effective way of keeping in touch with friends, relatives and business contacts, wherever you are.

In the near future, perhaps as early as the turn of the century, you'll also be able to receive full-motion video via a mobile terminal, as well as hold high-quality videoconference meetings, and surf the Internet.

Industry experts forecast a big market for mobile multimedia services including Internet and Intranet access. Visions of teenagers on a beach surfing the Internet, business executives conducting videoconference meetings from their cars, or medical X-rays being transmitted from a speeding ambulance, could be reality in just a few years.

New technology

The snag is that today's wireless technology was primarily developed for voice communications, not data. In order to provide the information capacity, or 'bandwidth', needed for more complex multimedia services, new developments in radio technology will be required.

'Wireless technology has been continuously and successfully evolved to meet the growing demands for capacity, voice quality and coverage', says Jan Uddenfeldt, vice president for research and development for Ericsson Radio Systems. 'However, to support the kind of high speed data applications that are rapidly emerging, we will have to push the data communications performance of existing cellular standards even further'.

To meet these new demands, it will be necessary to balance several factors: dedicating the appropriate bands on the radio frequency spectrum, creating new radio access methods, building or evolving the appropriate network architecture, and developing the necessary terminal equipment.

A significant step towards the commercial realisation of wireless multimedia is a contract awarded to Ericsson by NTT DoCoMo, Japan's leading mobile communications operator. It covers an experimental system based on new wideband-CDMA (Code Division Multiple Access) technology to support individual wireless access at data transfer rates of 384 kbit/s, eventually rising to 2 Mbit/s.

W-CDMA patents

Ericsson pioneered wideband-CDMA technology and holds several important patents in this area. Wideband-CDMA is very different from today's narrowband CDMA technology, referred to as IS-95, which has only limited data capabilities. Ericsson has no plans to offer systems based on today's narrowband CDMA technology.

However, the company sees wideband-CDMA as one of a number of technologies that hold great promise for digital wireless multimedia services at bandwidths above 100 kbps.

Ericsson is also working on developments within today's GSM and IS-136 standards for digital wireless communications, that will support bit-rates of above 100 kbps. Ericsson has already demonstrated the use of GSM system for access at bit rates of 64 kbps, together with Telia, the Swedish network operator.

Wideband CDMA at a glance

- Bandwidth of 384 kbps initially, rising to 2 Mbps
- TCP/IP protocols are Internet-compatible
- True multimedia capability
- Packet-switched data transmission for radio spectrum efficiency
- Supports full motion video, high-speed Internet access, and videoconferencing

Growth trends maintained

Ericsson's Interim Report for the first three months of 1997 shows that the track record of the past five years has been maintained, with sustained growth in order bookings, net sales and pre-tax income.

Order bookings increased by 36 % to SEK 39,213 million. Net sales were 36% higher at SEK 30,705 million, and pre-tax profit 30% at SEK 2,020 million. (These figures include the consolidation of Ericsson Telecomunicacoes S.A. in Brazil. For comparable units the growth was 29%, 31% and 30% respectively.)

Commenting on the results, Ericsson CEO Dr Lars Ramqvist pointed out that this is the company's 22nd consecutive quarter of increased order bookings. 'Our strong market organisation and our focused investments in research and development continue to yield very positive results' he said.

'Even measured in the increasingly stronger US Dollar, order bookings and net sales rose sharply during the first quarter, by 19 and 21% respectively'.

'The company registered a very strong first quarter in mobile phones and terminals, with sales up by almost 100% over the first quarter of 1996.

Voice/data integration for multi-site businesses

A highlight of Ericsson's participation in the recent CeBit exhibition in Hannover, Germany, was the launch of a new communications system that allows both data and voice services to be carried economically across the same leased lines.

Called the Multi-purpose Exchange, it is a good example of the way telecoms and datacoms technologies are converging to provide powerful, flexible communication solutions for businesses.

It combines Ericsson's Eripax (a packet/frame switch for routing data) with the MD110 business exchange. Voice compression techniques and intelligent networking are used to simultaneously deliver voice and data within the available bandwidth, dynamically allocating the bandwidth in the most efficient manner.

Data services can be delivered at up to 2 Mbit/second, making this an economical way to handle many everyday data communications requirements.

The dynamic bandwidth sharing capabilities of the MPX represent an industry first.

The MPX is expected to be of strong interest to organisations that use leased lines to link different sites. The greater the number of sites an organisation has, the greater the cost benefits of this new system.

Ericsson joins the drug fight.

Ericsson's Erieye Airbourne Early Warning and Control(AEW&C) system has been selected by Brazil for use in the fight against illegal drug shipments by air in the Amazons – an area roughly half the size of the USA.

Erieye is the first long-range, high-performance AEW&C system that can be installed in relatively small commercila and military turbo-prop aircraft. Able to detect small aircraft at a range of up to 350 km, the Erieye system is attracting international interest.

Five Erieye systems worth US$ 145million have been ordered for use in the Barazilian SIVAM system. This is Ericsson's first export order for Erieye.

World round-up

China: Ericsson is to expand GSM and TACS mobile phone networks in Jiangsu Province, following two contracts from the Jiangsu Post & Telecommunications Administration, totalling over US$ 80 million. GSM network capacity will be boosted to 1 million subscribers. TACS network capacity will rise to 300,000 subscribers.

In a separate order worth US$ 51 million, Ericsson is to expand the GSM mobile network of Liaoning Mobile Company to a capacity of 1 million subscribers.

For the provinces of Shandong and Zhejiang in the eastern region of China, Ericsson is to supply advanced-technology transmission equipment based on the SDH (Synchronous Digital Hierarchy) standard, that will lay the foundation for multimedia services.

Thailand: NMT 900 and GSM mobile phone infrastructure equipment worth more than US$ 100 million is to be supplied by Ericsson to Advanced Info Services PCL, a subsidiary of Shinawatra Group.

Malaysia: The country's largest operator of Personal Communications Services (PCS), Mutiara Telecommunications Sdn Bhd, is to more than double the capacity of its network to 400,000 subscribers, with Ericsson switches, base stations and transmission equipment worth US$ 130 million.

Brazil: Ericsson is to supply wireless infrastructure systems to increase the capacity of cellular mobile phone networks operated by TELPE and TELESP, in the states of Pernambuco and Sao Paulo respectively. With a combined value of US$ 150 million, the orders cover dual-mode equipment that will increase the capacity of the existing AMPS networks, and also allow digital D-AMPS services to be introduced.

Meanwhile, the first export order for Ericsson's Erieye Airborne Early Warning and Control system has come from Brazil. Erieye has been selected as the airborne surveillance sensor in the SIVAM system, that will be used primarily for the surveillance of the Amazons – an area roughly half the size of the USA.

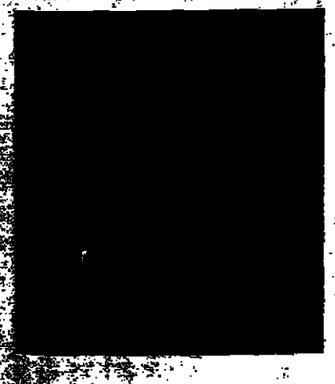
USA: Ericsson is to supply mobile switching centres, radio base stations and associated equipment worth US$ 250 million to Omnipoint Communications Inc (OCI), to expand Personal Communication Services (PCS) in Philadelphia, Pennsylvania and New Jersey. This latest contract more than doubles Ericsson's business with OCI.

Global: Ericsson has been awarded an initial contract worth US$ 80 million to supply mobile switching centres for a global mobile satellite communications service planned by ICO Global Communications. A consortium of Ericsson, Hughes Network Systems Inc and NEC Corporation has won the definitive contract to supply the ground segment of the ICO network. Eventual size of Ericsson's share over the next ten years could reach US$ 150 million.

Smallest in the world

Weighing in at a mere 4.7 oz (135 g), and measuring just 4 in (10 cm) high, this is the world's smallest phone for Personal Communication Services (PCS).

Designed for use with North American PCS 1900 mobile phone networks, the new CF 788 fits into a pocket or purse, and provides three hours: talk time, 48 hours: standby time.



Business Communication System

MD110 rated best in survey

According to a recent report from industry analysts Datapro, "1996 International User Ratings Survey on PBX Systems', Ericsson's MD110 business communications system scored highest in terms of user satisfaction.

In the survey of 636 telecom industry managers in 30 countries, Ericsson received the top scores in 9 out of the 12 categories. They were: third-party system connectivity; CTI (computer telephony integration); ISDN; networking and telemanagement capabilities; automatic route selection (ARS); system security; voice mail; and wireless/cordless capabilities.

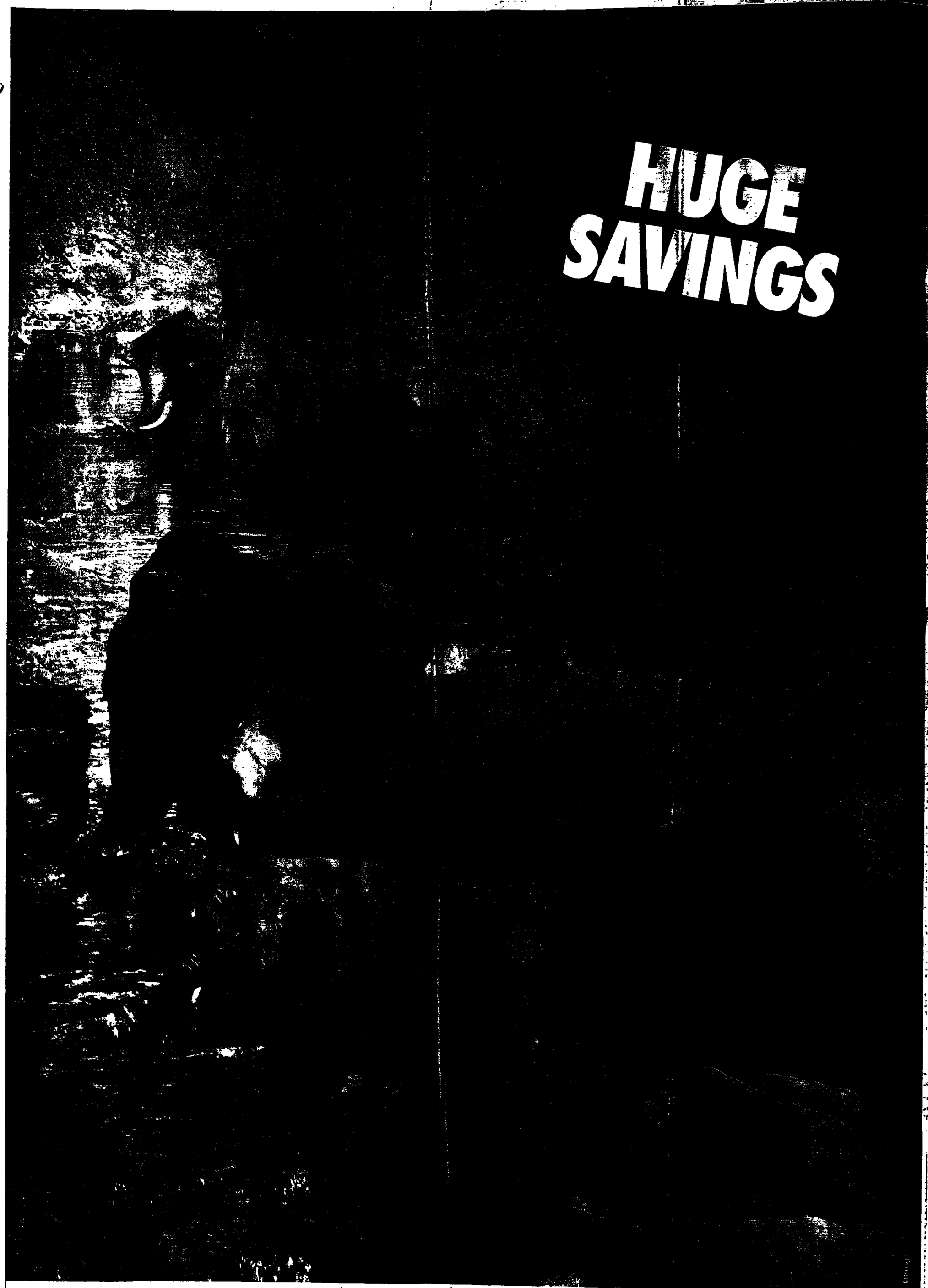
Respondents included telecom managers, facilities managers, Information Systems vice presidents, Information Systems directors, systems analysts and other telecom industry professionals.

In a separate survey carried out by Dataquest, Ericsson was ranked as Europe's largest call centre supplier.

Telefonaktiebolaget LM Ericsson, S-126 25, Stockholm, Sweden.

Ericsson's information-on-demand database can be addressed at: www.ericsson.com

Ericsson's 90,000 employees are active in more than 130 countries. Their combined expertise in fixed and mobile networks, mobile phones and infocom systems makes Ericsson the world-leading supplier in telecommunications.



Savings don't come any bigger than this; the Thai elephant. Over the last 30 years their numbers have plummeted from 41,000 to a mere 5,000. It is now officially an endangered species.

Many have been forced onto the streets of Bangkok where they become malnourished and suffer from stress and insomnia. Thai Airways International is helping by rescuing these magnificent animals and opening a sanctuary.

You can win one of these elephants together with a trip, for you and a friend, to visit it in Thailand.

The competition is free to enter. But please, make a donation if you can. It's time to take the elephants from the concrete jungle and put them back in the real jungle.

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Herald Tribune

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After Bosnia, Holbrooke Takes on Cyprus

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The American diplomat who brokered the agreement to end the war in Bosnia is taking on another Mission Impossible in Europe: the Cyprus impasse.

The State Department spokesman, Nicholas Burns, announcing that President Bill Clinton had appointed Richard Holbrooke as special presidential envoy on Cyprus, said:

"The president and Secretary of State Madeleine K. Albright have repeatedly stressed the importance that they attach to resolving the Cyprus problem. The appointment of one of our most capable negotiators demonstrates our commitment to help promote a final political settlement on Cyprus."

As assistant secretary of state for European affairs in Mr. Clinton's first term, Mr. Holbrooke was the principal architect of the Dayton accords that put a stop to the fighting in Bosnia-Herzegovina and outlined a political settlement in the former Yugoslavia.

Because of that feat, his appointment as presidential envoy gives instant credibility to a major diplomatic effort expected this summer by the United States, Britain, the European Union and the United Nations to end the 23-year stalemate between Greece and Turkey over the divided island of Cyprus.

While in the State Department, Mr. Holbrooke lobbied for just such a concerted effort, saying that a Cyprus settlement was the key to resolving multiple issues between Greece and Turkey and calming what he considered the most volatile region of Europe.

But Cyprus may be harder to solve than Bosnia, diplomats said. The drive for a Bosnia settlement was propelled by the desperation of the United States and major European allies to end a savage war. In Cyprus, nobody is desperate — on the contrary, the problem is political inertia that has set in 23 years after Turkish troops seized the northern third of the island.

Furthermore, Greece and Turkey are NATO allies and Mr. Holbrooke will not be able to push them around as he pushed around the Balkan leaders at Dayton, diplomats said.

Mr. Burns said Mr. Holbrooke, an investment banker at Credit Suisse First Boston in New York, will devote about one week a month to his new assignment, which carries no salary.

"A week a month for Dick Holbrooke is a full month for most other people," said Mr. Burns, who as the likely next U.S. ambassador to Greece will also be involved in the Cyprus negotiations.

■ Appointment Is Welcomed

The opposing sides on Cyprus welcomed the appointment of Mr. Holbrooke, Reuters reported from Nicosia.

Manolis Christofides, spokesman of the Greek Cypriot-led government of Cyprus, said Thursday, "With the appointment of Richard Holbrooke as the new presidential emissary on Cyprus, the government of the United States is implementing its promises and reaffirms the importance it places on a solution to the Cyprus problem."

The Turkish Cypriot leader, Rauf Denktash, welcomed the appointment as a "positive step."

Greece said the appointment signaled renewed U.S. interest.

"The Holbrooke appointment is a clear indication of the strong interest by the United States to take an initiative to resolve the Cyprus problem," said a Greek government spokesman, Dimitris Reppas.

But he said Greece would not accept any intervention from the envoy in Greek-Turkish disputes over rights in the Aegean Sea.

"The Cyprus issue and the matter of Greek-Turkish relations are separate," Mr. Reppas said.

Agence France-Presse
Richard Holbrooke: Cyprus may be a tougher nut for him to crack.

Paris Faces a Duel on Foreign Policy

By Joseph Fitchett
International Herald Tribune

PARIS — After a first brief cabinet meeting, Lionel Jospin, the new French prime minister, flew to Sweden on Thursday for a meeting of Socialist heads of government and party leaders, while President Jacques Chirac was cloistered in his office preparing for his first post-electoral public appearance — a speech Saturday to social security managers.

While the timing was coincidental, the juxtaposition of Mr. Jospin's European jaunt and Mr. Chirac's domestic schedule pointed up the likelihood that the president has forfeited his near-monopoly in foreign policy.

That is only one casualty of his misstep in calling snap elections that boomeranged, replacing center-rightist rule with a Socialist government.

In the wake of defeat, the outlook for the right is clouded by internecine feuding and criminal investigations, problems aggravated by Mr. Chirac's weakened position.

Mr. Chirac sought to put a dignified face on the situation at the first cabinet meeting, asking to be introduced to every minister instead of singling out individuals for a word or two, as former President Francois Mitterrand used to do with a hostile government.

Afterward, Mr. Jospin said that the new era of cohabitation opened in an "atmosphere both serious and relaxed — no excesses."

His spokeswoman, Catherine Trautmann, added that the prime minister "pledged to work with respect for the high constitutional prerogatives of the president, calmly and rigorously as befits the running of the country's affairs above differences of political conception."

Despite the polite rhetoric, Mr. Jospin has demanded a voice in discussions on a single European currency, a domestic economic issue that is also the key foreign policy question for France.

In a duel of nerves for control of French policy, Mr. Chirac is particularly vulnerable because conservatives are in disarray and near despondency. They are unlikely to provide political support of the sort that Mr. Mitterrand got from the Socialists when he had to coexist with conservative governments.

Already, Mr. Chirac faces a groundswell of recriminations that has already focused on his small, tightly knit team of advisers.

"They kept the president cut off from everyone else, so he blundered into the elections without a clue about what the country felt," a loyalist said.

For two years, Ghislaine Ottenheimer, an author, wrote this week in L'Express magazine, "France has been governed by four men: Chirac, Juppe, Villepin and Maurice Gourdault-Montagne." Dominique de Villepin is chief of staff in the presidency and Mr. Gourdault-Montagne is the top aide to the outgoing prime minister, Alain Juppe.

In spotlighting the quartet, Miss Ottenheimer was echoing a widespread view that the president was overly dependent on Mr. Juppe, the one-time aide who became Mr. Chirac's alter ego and then prime minister — and was kept too long despite his record unpopularity.

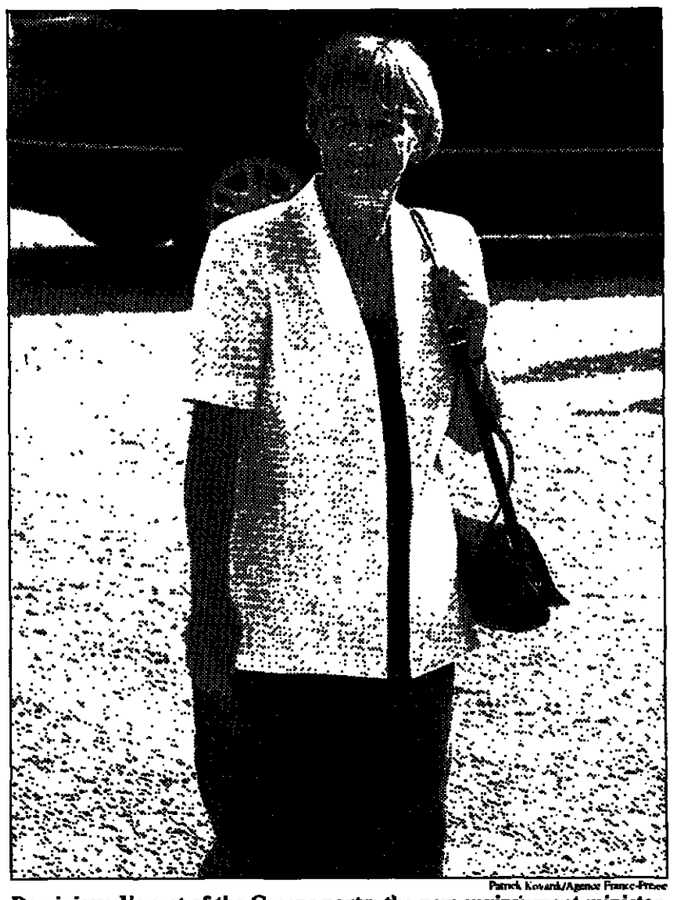
To block outside interference, Mr. Juppe sent his own top aide, Mr. de Villepin, to become Mr. Chirac's chief of staff — in effect, the gatekeeper of the presidency. Mr. de Villepin's own deputy and protégé, Mr. Gourdault-Montagne, moved up to become the prime minister's top aide.

Mr. Chirac can protect his staff but not Mr. Juppe, whom he sought unavailingly this week to keep as party leader. Party barons and survivors of the electoral massacre insisted that Mr. Juppe go — and be replaced by Philippe Seguin, a proven vote-getter.

More than just a backlash against Mr. Juppe as the architect of electoral defeat, the revolt underscored the president's diminished political standing.

"Mr. Chirac is no longer the presumptive, conservative standard-bearer in the next presidential election, so party leaders feel less need to reckon with him," said Alain Genestar, a newspaper editor in Paris.

With Mr. Chirac losing stature as a unifying leader, the conservative parties seem to be going separate ways. The most damaging split involves Jean-Marie Le Pen's National Front, whose hostility to the center-right parties in the election cost the right 40 seats. To reconquer Parliament, analysts said that center-right strategists seemed obliged to find a way of luring Mr. Le Pen's supporters.



Patrick Kovarik/Agence France-Presse
Dominique Voynet of the Greens party, the new environment minister, arriving Thursday at the Elysee in Paris for the first cabinet meeting.

LEFT: *Despite Victories, No 'Pink Wave'*

Continued from Page 1

Socialists also run the risk of disappointing their core voters.

The Socialist camp is a diverse bunch that defies any easy consensus, incorporating as it does Prime Minister Tony Blair of Britain, with his almost Thatcherite, free-market beliefs, and the Socialists of Lionel Jospin, who swept to power in France by promising to create 700,000 jobs and slash the working week without cuts in pay.

In Germany, for example, the internal Social Democratic split between the traditional left-wing supporters of Oskar Lafontaine and the moderate camp of Gerhard Schroeder may be the party's biggest obstacle to wresting power from Mr. Kohl next year.

In addition, some Socialists are hesitant about the basic process of European integration, the glue that should bind them. While Antonio Guterres of Portugal is pursuing deficit-cutting reforms with gusto to ensure his country's entry into monetary union, the Malmo meeting's host, Goran Persson, bowed to hostile public opinion this week and ruled out Swedish participation in a single currency in 1999.

"The differences between Socialists in power in Europe is extreme, so one cannot really talk about a pink, Socialist wave," said Dominique Moisi, director of the French Institute for International Affairs. "But social concerns, whatever that means, are back at the center of the European agenda."

Although Mr. Blair's conservatism stands out, the economic realities that lie behind it are accepted by most Socialists. Voters may be fed up with austerity, unemployment and the monetarist orthodoxy associated with Europe's planned single currency, but leftist leaders are not calling for old-fashioned deficit spending.

"Structural reforms are necessary not because of the single currency but because of the need to modernize society," said Piero Fassino, a prominent member of the Democratic Party of the Left, the dominant party in Italy's center-left coalition government.

Even Mr. Jospin has shown signs of backing away from his promises.

"The most difficult problem is not the single currency," Jacques Delors, the Socialist and former European Commission president, said in an interview. "The greatest problem for France is modernization."

He said the Jospin government would fulfill France's single-currency commitments by forging a consensus on the need for welfare and labor reforms at home while insisting on a flexible interpretation of the Maastricht treaty criteria for participation in a single currency.

The one thing all Socialists agree on is the desire for a new EU treaty provision requiring that countries coordinate their employment policies as much as they now coordinate efforts to cut deficits and inflation. Their support virtually guarantees the clause will be adopted when EU leaders meet in Amsterdam on June 16 and 17 to conclude the treaty.

"We do not want to open up the criteria" for monetary union, said Labour's Mrs. Green. "We've got to find a balance which allows the beginning of a coordination of macroeconomic policies, and the beginning of a coordination of active employment policies in Europe."

Delors Says France Is Tied to the Euro

By Tom Buerkle
International Herald Tribune

BRUSSELS — The new Socialist government of Prime Minister Lionel Jospin will fulfill France's commitment to launch a single currency on schedule in 1999, but it will insist on a flexible interpretation of the economic criteria for membership, Jacques Delors said Thursday.

Mr. Delors, a former French finance minister and president of the European Commission who helped design the Maastricht treaty blueprint for monetary union, said in a telephone interview that he campaigned for the Socialists only after being convinced that Mr. Jospin intended to support the single currency.

He dismissed the suggestion that Paris might press to delay the introduction of the euro, the single currency, to give priority to the fight against unemployment.

"There's only one place where that will be decided, and that's in Germany," he said about a possible delay. "In France, the necessary measures will be taken."

Mr. Delors's affirmation of the single-currency project, which followed similar comments by Elisabeth Guigou, the new justice minister, were likely to reassure France's EU partners.

The prominent cabinet positions given Wednesday to longtime supporters of European integration and close French-German relations, including Mrs. Guigou, Hubert Vedrine as foreign minister and Dominique Strauss-Kahn as finance minister, also cheered financial markets Thursday, pushing up French stocks nearly 3 percent.

But Mr. Delors's comments about the single-currency criteria could provoke further tension with Germany, where the government has insisted on strict compliance with the deficit and debt requirements despite its own failed effort to revalue gold reserves.

Mr. Delors noted that the Maastricht treaty does not set a rigid deficit ceiling of 3 percent of gross domestic product, but allows leeway for blips or for accepting countries where deficits have fallen just above 3 percent. He also said that the French government would seek to use treaty provisions to coordinate a broader range of economic policies with its European partners, including employment policies, rather than focusing exclusively on deficits and inflation.

"We have simply demanded that all the treaty be applied," Mr. Delors said.

In keeping with its conservative predecessors, the new government will also maintain demands for greater political control over monetary union, Mr. Delors said. The German government meets regularly with the Bundesbank to discuss economic policies, he noted.

"What we want is that opposite a European Central Bank there is a council of ministers," he said. "That's all we demand."

Mr. Delors also indicated that the new government would pursue a more moderate economic policy than Mr. Jospin implied in the campaign.

"The most difficult problem is not the single currency," Mr. Delors said. "The greatest problem for France is modernization. The welfare state must be compatible with the demands of the economy and full employment."

FRANCE: *Probability Is Rising of Delay in Introducing the Euro*

Continued from Page 1

delay will shake financial markets, break the momentum and discipline built up in moving toward monetary union and leave Europe and its leadership with a severe loss of prestige. Those who are less troubled by putting off the starting date say the blow would be felt mostly by the politicians who wanted to enshrine themselves in history as Europe's unifiers and that a postponement with new fixed dates is a far better alternative than a disorderly entry based on now-suspect credentials.

What has changed in the discussion and brought participants to less covert positions is that the issue has moved from the theoretical to the practical. Until now, there had been not even tacit admission from the German government that it could possibly fail to meet the targets; in this context, the gold revaluation episode had the counterweight of a signed confession.

In France, the parliamentary election lost by President Jacques Chirac's allies had been called precisely to muster strength for a new round of belt-tightening that would assure the country's conformity with the Maastricht criteria. The result was a disavowal instead and what could be interpreted as an expression of support for the Socialist position promising no more austerity measures for Maastrichr's sake.

According to Mr. Lister-Cheese of the London financial consulting firm Independent Strategy, the new economic program of Prime Minister Lionel Jospin's government would essentially disqualify France from monetary union by pushing its budget deficit level far above the target of 3 percent of the nation's gross domestic product. The government's campaign promises included hiring 350,000 new public sector employees, lowering the value added tax, lowering the workweek to 35 hours from 39 with no diminution in pay and increasing the minimum wage.

Even if the government were not to enact any of its promises, Mr. Lister-Cheese calculates a deficit level of 3.6 percent of gross domestic product in 1997. If, on the other hand, there is an increase of 7 percent in the minimum wage, the deficit will increase by 0.2 percentage points, he reckons. A reduction in the value added tax represents another jump of 0.2 to 0.3 percentage points and expanding the public sector by 40,000 new employees in the first year, with 20,000 to 30,000 before the end of the current year, would account for an additional 0.2 percentage points.

All told, unless there were major new taxes, this would take France's deficit over the 4 percent level, he says, and way out of the range of 3.1 percent or 3.2 percent of GDP that is generally regarded as the amount of tolerable slippage candidate countries will be accorded in falling short of the targets.

Mr. Saint-Etienne, a professor of economics at the Dauphine campus of the University of Paris, said his projections from the Socialist proposals were deficits of 4 percent in both 1997 and 1998.

"Depending on the mix and the amounts, increasing the minimum wage and reducing the number of hours worked could really explode the French economy," he said.

Under those circumstances, he said he felt there would be some kind of French-German deal by the fall to delay the start of monetary union.

That would obviously be less of a prestige problem for the new government than for its predecessor, which bound itself to the euro's mast of austerity. The problem, nonetheless, would be less great for Mr. Chirac than for Mr. Kohl, who cast his government as guardian of euro admission standards.

But the Socialists have not given away their hand as yet. Jean-Paul Fitoussi, a professor of economics at the Institut des Etudes Politiques who is likely to be a member of the Finance Ministry advisory council, said none of the party's program represented a supplementary deficit.

"The jobs for youth is a matter of redeploying existing but inefficient programs," he said. "That's the only measure that involves new costs to the state. The minimum wage provision costs nothing to the state. I have no idea where these people get their deficit figures or their notions."

A clearer notion of the French position could emerge in the next few days through a speech Mr. Jospin is to give Friday in Malmo, Sweden, or through contacts his new finance minister, Dominique Strauss-Kahn, is to have over the weekend with his European Union colleagues.

BRIEFLY

Croat Who Helped Start War Is Freed

ZAGREB, Croatia — A Croat convicted of a murder that helped start the Balkan war in 1991 was pardoned and released from prison, the Croatian newspaper Slobodna Dalmacija reported Thursday.

Ante Gudelj, 49, was sentenced in absentia in 1994 to 20 years in jail for killing a police chief in the eastern Croatian town of Osijek in July 1991. He was released Wednesday, as the Supreme Court concluded that an amnesty law applied to his case.

The killing of the police chief helped spark the outright war between rebel Serbs and independent Croatia. *(AP)*

Vienna Leader Wins No-Confidence Vote

VIENNA — Chancellor Viktor Klima survived a no-confidence vote Thursday called by the far-right Freedom Party over privatization plans for the country's top bank, Bank Austria.

Parliament voted 115 to 35 against the measure.

The opposition Greens and liberals backed Mr. Klima, the Social Democrat who took over as chancellor on Jan. 28. *(Reuters)*

Oslo Declares War On Biker Gangs

OSLO — A bomb that leveled the Norwegian headquarters of the Bandidos motorcycle gang, killed a passerby and left a quiet neighborhood in ruins had Norway declaring its own war on feuding Nordic bikers Thursday.

Prime Minister Thorbjorn Jagland said, "We have to catch these fiends and punish them."

Hours after the blast late Wednesday, a broad range of politicians called for a crackdown on gangs, including the Bandidos and its rival, Hell's Angels. *(AP)*

Russia Seeks Talks On Nuclear Arms

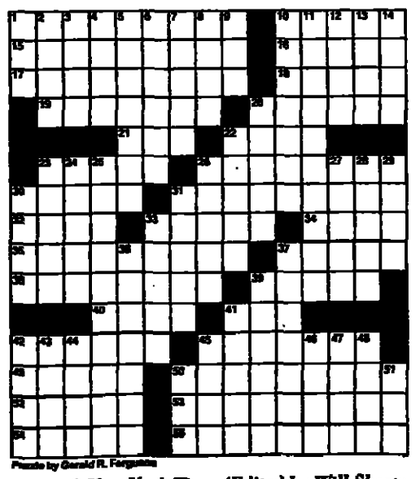
GENEVA — Foreign Minister Yevgeni Primakov of Russia called Thursday on the Conference on Disarmament to break its impasse and start negotiations to ban production of bomb-making fissile material as the next step in nuclear disarmament.

In a speech to the 61-member forum, Mr. Primakov said that Moscow also supported negotiating a global ban on anti-personnel land mines, but that it should be implemented in phases. *(Reuters)*

CROSSWORD

ACROSS
1 "Cheers!"
10 1995 Horse of the Year
15 Chesterfields
16 Julio's opposite
17 Opera cast members
18 Important boards, for short
19 Molecules that bind to receptors
20 If-looks-could-kill looks
21 Certain necktie
22 Humorist Lebowitz
23 Encrusted
26 Captain's log heading
30 Shows
31 Blisters, of a kind
32 Handicap
33 Force units
34 Still-life subjects
35 Foundry device
37 Kind of fair
38 Capable of being felt
39 —— profundo
40 Chamber workers: Abbr.
41 Headlight setting
42 Lifter's asset
46 Singsong sounds
49 Press into service
50 Ships' sinkers?
52 Glorify
53 They get taken to dinner
54 Word with hard or hook
55 Dussenberg A's, e.g.

DOWN
1 Weave's partner
2 Geometry's —— of Cassini
3 Actress Copley
4 Math class, informally
5 Parts of sonnets
6 Engaged in reverie
7 Horse racing Hall-of-Famer Earl
8 Western Athletic Conference team
9 They're not part of the body: Abbr.
10 Tornado refuge sites
11 Ropes, so to speak
12 Reverse, e.g.
13 Museo offering
14 "E.R." doctor
30 Homecoming V.I.P.'s
22 Town by Palisades State Pk.
23 Fighting force
24 Scientific discovery of 1894
25 Tallies
28 Airs
27 Rich tapestry
28 Fifty minutes past the hour
29 "—— quam videri" (North Carolina's motto)
30 Penitentiary count
31 Inventor McCormick
32 Blackmore heroine
36 Nourished: Var.
37 Young salmon
39 Not square
41 Words before hint or line
42 Ill-tempered
43 Ruin
44 B'way hits
45 "—— the mornin'!"
46 Settled
47 Low-cal
48 Impressionist
50 Ancient Roman spirit
51 Natl. registry org.



Puzzle by Gerald R. Fergueson

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Solution to Puzzle of June 5

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Herald INTERNATIONAL Tribune

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Canadian Puzzle

The first American interest in the Canadian elections lies in seeing how a friend and neighbor — and, at $1 billion a day, the leading American trading partner — is handling the economic and social pressures squeezing all the industrialized democracies. Canada's choice was to return to power, although by a reduced margin, the Liberal Party government that has gamely hacked away at a large inherited budget deficit by trimming social insurance costs.

There was a cheerless cast to Prime Minister Jean Chrétien's victory, but he has a grudging mandate to stick to this painful task. Americans can only admire an electorate readier than their own to administer a bitter but necessary medicine.

The further American interest lies in the continuing life of the Quebec separatist movement. Not only did the separatist party gain seats in the Canadian House of Commons, although it fell a bit in the popular vote. The new Reform Party, based in Canada's West and campaigning explicitly and provocatively against a special status for Quebec, took the second-highest number of seats and became the privileged official opposition.

With the one party strongly for independence for the province and the other strongly against, and with the ruling party without an evident strategy to deflate the issue, Canada may face a stepped up confrontation on Quebec. The separatists say they wish to hold another referendum on sovereignty at an early date. They lost the last one 18 months ago by only half a percentage point.

Americans think of a separate French-speaking state in Canada as something that may be strange but that Quebeckers have the right to decide on for themselves. The American bias, however, is plainly for an improved federal system.

If the separatist movement gets up further momentum, Americans are bound to start asking what difference Quebec's sovereignty might make in the terms of trade, in issues of security and in the overall relationship with a neighbor that has given the United States the priceless boon of its stability and calm. This would be so if the separatist impulse were confined to Quebec. It would be even more so if the impulse spread, as it could, to other Canadian provinces.

The salient feature of this election is finally that no single party demonstrated a truly national reach. All were uncomfortably regional. The winning Liberals, for example, picked up no fewer than two-thirds of their seats in just one province, Ontario. This is a result that doesn't settle much.

— THE WASHINGTON POST

A Fight for Clean Air

The most contentious and complex environmental issue to face the Clinton administration this year is coming to a head. Carol Browner, administrator of the Environmental Protection Agency, will shortly propose to the White House tough and costly new limits on two kinds of air pollution — ground-level ozone, or smog, and dust-like particles known as particulates.

She says the new standards will improve the lives of millions who suffer respiratory diseases, and prevent 15,000 premature deaths every year. The White House, beset by heavy lobbying from industry, must decide whether to accept her argument that the new standards are vital to public health, or ask for weaker rules.

This is not a routine decision. Although the cost estimates vary widely, even within the administration, the new rules would force large sections of the country that are now barely in compliance with existing clean air regulations to find new ways to reduce pollution. That means big investments in cleaner power plants, fuels and cars. Similarly, while the rules will surely bring health benefits, there is also great disagreement on their dollar value.

Despite these uncertainties, we supported Ms. Browner's regulations when she offered them for comment in November, and we support them now.

There is an element of regional self-interest here. Even though states like New York and New Jersey have taken steps to control their own sources of pollution, both suffer from dirty air "imported" from coal-fired power plants in the Midwest. That is why Eastern governors like George Pataki of New York, Christie Whitman of New Jersey and William Weld of Massachusetts all support Ms. Browner. It is also why many Midwestern politicians of both parties oppose her.

More important than these local concerns, however, is the fact that Ms. Browner is right about the health issue. In all the squabbling over costs and benefits, it is easy to forget that the Clean Air Act requires her to review existing regulations every five years and, if necessary, set new standards to protect public health "with an adequate margin of safety."

Further, the act explicitly requires that standards be set without regard to cost. Many argue that the act should be rewritten to require consideration of costs and benefits much earlier in the game. But Ms. Browner must operate under the law that Congress has handed to her, and what that law says is that she has to go where the science takes her.

Industry says the science is weak. The EPA replies that it reviewed thousands of epidemiological studies and made no final decision until it received support from the Clean Air Scientific Advisory Committee, an independent group composed of scientists from industry, medicine and universities.

Absent some last-minute scientific revelation, that should convince the White House.

For those who fear that the rules will devastate industry's balance sheets, history provides comfort. The government has traditionally provided a generous time frame for business and states to adjust to new rules, and Ms. Browner promises to do so again to ease the cost of compliance. Experience also shows that industry's own technological resourcefulness has a way of bringing the costs of cleaner air well below anyone's expectations.

— THE NEW YORK TIMES.

Mourning a Teacher

Chances are that the death of Jonathan Levin, the 31-year-old New York City public school teacher who was found slain in his modest Upper West Side apartment on Monday night, would not have garnered front-page attention were it not for the prominence of his father, Gerald Levin. But the real importance of the story, the reason it has engendered widespread interest and sadness, has little to do with Gerald Levin's career as chairman and chief executive of the media conglomerate Time Warner.

It has everything to do with the career chosen by his son. The loss of Jonathan Levin, an exceptional but unassuming man, has reminded people everywhere of the power of gifted and dedicated teachers to transform young lives.

At Taft High School in the Bronx, where he taught English for the past two years, the news of Mr. Levin's mysterious murder caused an instant outpouring of grief.

Tearful students and colleagues described him as extraordinary, a wholly involved teacher who found creative and unusual ways to engage his classes in great books and poetry. He made literature come alive for poor youngsters at a school where they must walk through a metal detector to get to class.

"He didn't care about money," said one student. "He cared about kids." There is no better tribute.

— THE NEW YORK TIMES

Other Comment

Democracy for Asians

If [democracy] is to work in Asia, it must be a democracy that extends far beyond the simple existence of a balloting system. As the region develops and its people become more sophisticated in running their lives and businesses, surely it is wishful thinking to expect that they will be content to rubber-stamp the political choices decided at the top. Certainly the Indonesian model has done much to pull the country forward. But in 1997 it is not enough.

— Far Eastern Economic Review (Hong Kong).

Herald INTERNATIONAL Tribune

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America and Russia Above a Diffident Europe

By Max Jakobson

HELSINKI — The new European "security architecture" has turned into something quite different from what was originally planned. It will be an American-designed, open-ended, split-level structure with the upper floor reserved for consultations between New NATO and New Russia, while down below Old NATO will watch out in case Old Russia rears its head.

President Bill Clinton has invoked the spirit of Woodrow Wilson: "to build an undivided, democratic and peaceful Europe for the first time in history." But this time the United States has hedged its bet on a triumph of democracy by keeping the military alliance in shape as guarantor of the balance of power.

That is not how European security was supposed to be ensured after the end of the Cold War. The European Community, not NATO, was expected to export democracy and the market economy to the eastern half of Europe.

The Community always claimed to be "Europe." During the Cold War it had had no choice but to remain an exclusively West European institution. Now at last it had the chance to make good its claim to represent Europe.

But as the full extent of the devastation caused by Soviet rule unfolded, the vision of a united Europe faded.

The nations emerging from the ruins of Soviet power had little in common except the fate they shared as victims of the conflict between German and Russian imperialism, followed by forced integration into the Soviet system.

During this century, every country of what is called Central and Eastern Europe has been devastated by war, occupied, liberated and reoccupied, each time with a change of political system and in many cases with a change of borders as well. Parliamentary democracy and the market economy have never had a strong constituency there.

Before World War II, Czechoslovakia was the only democracy and advanced industrial state in the region. All the others were predominantly agrarian countries with authoritarian regimes.

It was an illusion to believe that they could acquire a system of parliamentary democracy and market economy off the peg, like buying a ready-made suit. Everywhere it is bound to need a long evolutionary process.

The war in the Balkans was a turning point. Once again, America became indispensable.

In 1989, the year of the great change, it was possible to believe that a dynamic, self-confident European Community would exercise a powerful influence on developments throughout the former Soviet empire. But soon the Community itself was in a crisis.

Mounting unemployment and the erosion of the welfare state turned attention inward. Racked by self-doubt and pessimism, today's European Union has been slow to tackle the task of extending its reach eastward.

The war in the Balkans was a turning point. It revealed the limits of the will and ability of the West Europeans to use force in defense of common values. The fighting could not be stopped before the United States had committed its forces to an intervention.

Once again, America became, in the words of then Secretary of State Warren Christopher, "the indispensable nation" for European security.

The message of the Yugoslav tragedy for the nations of Central and Eastern Europe was clear. They desperately needed to be accepted, to belong. Since admission into the Union would obviously take years, they turned to NATO as a shortcut.

Now the Union can begin its own enlargement under the protective umbrella of NATO. Chancellor Helmut Kohl hinted at the recent EU summit meeting that in his view the first three states to be admitted to the Union should be the same three that first enter NATO — Poland, the Czech Republic and Hungary. The implication is that the Union will move eastward only at the pace of NATO's expansion.

How far might that be? Foreign Minister Yevgeni Primakov has already drawn a line in the sand: Russia will in no circumstances accept the inclusion of former Soviet republics in NATO.

This is a new version of the Brezhnev Doctrine, although Mr. Primakov added that it would not be enforced the way it was in 1968, when Czechoslovakia was occupied.

In earlier statements, Mr. Primakov argued that "reintegration" of the former Soviet republics under Russian leadership was a necessary and indeed natural process by which Russia would re-establish itself as a great power.

It was understood that he was referring to the members of Commonwealth of Independent States, excluding the Baltic states. But in his latest statement he seems to include the Baltics.

Coming on the eve of the signing of the NATO-Russia agreement, the proclamation of a new Brezhnev Doctrine, although reduced in scope, is a direct challenge to Mr. Clinton's promise that NATO's door will remain open to all democratic states in Europe.

It is unlikely that the issue will be put to a test in the near future. None of the Baltic states will be invited to enter before the first round of enlargement has been completed and ratified.

By that time, it is hoped, Russian policy may have evolved further in the direction of closer cooperation with NATO and other Western institutions, making Russian leaders more relaxed about NATO enlargement.

So far at least, the prediction that NATO enlargement might provoke a backlash against Boris Yeltsin has proved wrong. Reformers are firmly in charge in Moscow. Instead of continuing sterile opposition to NATO enlargement, Mr. Yeltsin is making the most of the opportunity that he has been given to assert Russia's influence in NATO and other Western institutions.

That may lead to a reversal of roles in the Western debate. Critics of NATO enlargement will no longer be able to claim that Russia has been isolated, while supporters will have to defend the deal against the charge that Russia has gained too much say.

International Herald Tribune

The French Want an Alternative to Pure Global Capitalism

By E. J. Dionne Jr.

WASHINGTON — French Socialists danced in the streets this week, amazed at winning back a majority in the National Assembly only two years after losing the presidency to the Gaullist Jacques Chirac. After that defeat, many Socialists had wondered if they would ever be in power again.

They won this time in part because Mr. Chirac bungled, calling an early election that he didn't have to call and then running what Serge July, the top political commentator for the French daily Libération, called "one of the worst electoral campaigns ever seen."

But the Socialists, led by the professorial but tough-minded Lionel Jospin, also won because a majority of voters decided to throw a monkey wrench into the machine known as "the global economy."

The standard rap on the French is that they reject the "realities" of a competitive world market and cling to an outdated "statism," seeking to maintain a big social security and health system, along with all manner of labor protections.

Well, exactly. The French vote might be seen as an attempt to redefine the terms of that "reality," to insist that there is more than one way to organize the world economy, and in particular a European economy struggling with high unemployment and sluggish growth.

The Socialist program may not be up to that task. As soon as the party won, many of its leaders moved fast to lower expectations. The Socialists apparently know that they can't just snap their fingers and have the government produce lots of jobs, raise wages and save all the social benefits.

In his campaign, Mr. Jospin asked good questions about what is wrong in France, without having a clear set of answers to put things right.

But this result, coming on top of the Labour Party victory in Britain, is yet more evidence of a shift in the terms of debate in the industrial democracies — not so much toward the left as away from the right. With the left in power simultaneously in France and Britain for the first time since Britain joined the European Union, the balance inside Europe could change considerably.

The French vote, including both the Socialist victory and the substantial support won by the far-right National Front, is also a warning.

For years now, prophets of the global high-tech economy have spoken as if they believed in iron laws of history. Every country would simply have to junk "outdated" social benefits and labor laws and adapt to a lean and mean new world.

There's a small catch. It's called democracy. Many voters in the West would like to see someone put an alternative on the table, a little less lean and considerably less mean. The French Socialists and Tony Blair's Labour have been assigned by their electorates to come up with alternatives.

If they fail, the iron law crowd may have the last laugh. But not necessarily. That is what is chilling about the rise of the far right in France. If democratic reformers of the Jospin and Blair stripe offer one set of alternatives to pure global capitalism, the extreme right offers another — nationalistic, xenophobic, scary.

The National Front is still a decided minority, and many traditional conservatives, including Mr. Chirac, have been quite brave in resisting it. But its existence is a reminder that the costs of mismanaging the big economic transition going on in the world could be very high.

But Mr. Jospin's crowd is nothing if not realistic, and chastened by the disappointments of the Mitterrand years. They may end up behaving more like the centrist Mr. Blair than anyone expects.

Washington Post Writers Group

Bill and Tony's Tailor Has a Jacket for Lionel

By Thomas L. Friedman

WASHINGTON — There was a picture the other day showing Bill Clinton and Tony Blair laughing together in London. Here's a secret: They were laughing about France.

You see, what Mr. Clinton and Mr. Blair truly have in common is the same tailor. They have both been fitted for the golden straitjacket — all the rules set down by global markets for how a country has to behave economically if it wants to thrive in today's world. What happens when your country puts on the golden straitjacket is that its economy expands and its politics shrinks.

That is, growth rises, unemployment falls and political choices on all big issues — welfare, interest rates, government spending — contract to the narrow limits set by the markets.

Mr. Clinton and Mr. Blair are comfortable in this straitjacket. They have learned how to loosen it at the waist a bit, and so have made it, for the moment, a political winner.

The reason they are laughing at France is because the French seem to think they can avoid this straitjacket and still enjoy the best of all worlds. They actually believe that they can still be a world power and have their truck drivers retire at 55 with nearly full pay, work a 35-hour week and close their shops for two hours every afternoon.

If Mr. Clinton and Mr. Blair could speak frankly to the new French prime minister, the Socialist Lionel Jospin, they would tell him this:

"Get real, Lionel. As they say, we've gone from a world where the big eat the small to a world where the fast eat the slow, and France can only be great now if it's also fast. You can't be fast and work only 35 hours a week or retire at 55.

"You cannot maintain that lifestyle and still be a global power. Because you can't maintain that lifestyle and also do the budget cuts, benefit cuts and privatization of state industries required to join the common European currency.

"And we all know that the common currency is your key to remaining a great power, because a common currency is what would keep you tied to Germany and make the European Union a real global economic player.

"And since your strategy is to use your relationship with Germany and your dominance of the EU to maintain your 'greatness' in the post-Cold War world, you need that common currency. But you have to pay for that.

"So take your choice: You can be great, or you can have a great lifestyle (for a little while longer). You can't have both.

"Now, Lionel, the golden straitjacket comes in only one size, and you're too fat. We're also laughing because we had Margaret Thatcher and Alan Greenspan to put our countries on a diet of downsizing. They took the flak and now we're reaping the benefits.

"We're betting that the golden straitjacket will continue to produce enough growth so that we can keep loosening it, so that those hardest hit won't be too pinched, so that there won't be a political backlash. That's our strategy."

France has no realistic alternative to the golden straitjacket, and the markets will soon hammer home that reality.

Still, there is something appealing about the French struggle to maintain their lifestyle and to resist the constraints, and one-size-fits-all sterility, of the golden straitjacket. It's Don Quixote versus the bond market. You've got to admire it.

Bill and Tony have pretty well given up that fight. They have confined themselves to the politics of the straitjacket, leaving little room to pursue the traditional social justice planks of their parties. If the straitjacket continues to grow, so might their political horizons again. If it doesn't grow, their politics will remain shrunken and they will have plenty of time on their hands.

The New York Times.

Thailand's Aches Are Curable

By Philip Bowring

BANGKOK — It's time for a little perspective. Not long ago, Thailand was an investor's dream, exemplar of Asian democracy, bountiful land of liberalism, pluralism and fine food. Now it is, to judge from some headlines, an exemplar of Third World debt, investor risk, corruption and political instability.

Truth always lay in a suitably Buddhist middle way between those images.

The worst may not be over. Thailand may yet succeed in muddling through, but a final cathartic crisis may be necessary to restore equilibrium. That at any rate seems to be the message from the financial markets.

Whether the stock market, now at one-third of its all-time high, recovers any time soon is a matter of conjecture. But the condition of this banking-, finance- and property-dominated market results from the pricking of an asset price bubble, and does not reflect the condition of the nation.

The story of the Thai economy is simple: It overheated for too long and must now accept two or three years of cooling off. That means 4 percent growth rather than the 8 percent of recent years. It is likely to return to a sustainable long-term (40 years) average of 6 percent.

But 4 percent is still better than almost anywhere in those current favorites Latin America and Eastern Europe.

Current troubles are often attributed to money-driven politics. There is an element of truth in this. Particularly under former Prime Minister Banharn Silpa-Archa, money politics and naive economics were bedfellows.

But as a root cause of problems, political turmoil pales to insignificance compared with Thailand's opening of its capital market in the early 1990s while maintaining a long-term commitment to a stable dollar-linked exchange rate.

Both policies were much praised in the outside world but led to shortsighted foreign bankers and greedy local companies arbitraging interest rates on the assumption that any amounts of new dollar credit could be provided without risk.

Thailand's total debt now is not excessive. Its currency is not significantly overvalued. The nation is not overconsuming. Its government is not overspending. The problem is overinvestment financed by short-term debt on which interest is very high due to worries about the baht.

There is no easy escape. Letting property and finance companies collapse would lead to a sharp fall in asset prices and big losses for banks, foreign as well as local. But it would clear the air.

Cut interest rates and let the currency float? The resulting baht devaluation would do nothing for the trade balance, and immense damage to big companies with unhedged dollar debts. But at some point it could be the lesser evil.

The many small baht borrowers are now paying 10 percent real interest partly to protect the balance sheets of the few big dollar borrowers.

Thai coalition dynamics make Gordian knot-cutting very difficult. But in the long run that is beneficial. Plural politics exist to balance different interests, in this case distributing pain rather than pork. That will tend to mean a middle road or muddle-through approach. Thailand has generally been wary of dogmatic prescriptions, and now wishes it had been more skeptical of received Western financial wisdom.

Politicians have underestimated the scale of the problems. They still overestimate growth prospects. But in their judgments they have been no worse than the bankers, and have kept cool heads compared with the foreign fund managers whose past greed and current fear have exaggerated the business cycle.

Another two years of economic difficulties could put the Thai political system under strain, increasing the possibility of a lurch back toward a more authoritarian setup. There should be recognition at home that tough decisions are still needed, and realization abroad that today's difficulties are more cyclical than fundamental.

Making predictions about Thai politics is foolhardy, but assessment of national prospects should start with a 40-year perspective of the track record. The onus of proof is on the pessimists.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Emigration Act

BERLIN — The German Emigration Act has been gazetted. Its purpose is not only to prevent the ruin of the emigrants, but also to preserve their attachment to the Fatherland. It has been found, for instance, that the Germans who settle in the southern parts of Brazil, unlike those who go to the United States, retain their national sentiment. This patriotic bill has been strongly opposed by the navigation companies. Many German emigrants have gone from Germany to British ports, and then sailed for foreign ports in British ships.

1922: Hall of Fame

PARIS — There is to be no discrimination as to sex in future elections to the Hall of Fame in New York. The decision may be regarded as one more landmark in the history of woman's emancipation. In 1904, a separate section was set apart for the placing of women's names in the Hall of Fame. The new decision coincides with the unveiling of the bust of the astronomer Maria Mitchell, the only sculptured portrait of a woman to be placed as yet among those of Washington, Edgar Allan Poe, Ulysses S. Grant, Robert Fulton and Marshal Joffre.

1947: Marshall's Plan

CAMBRIDGE — The countries of Europe should work out a great new program of reconstruction, Secretary of State George C. Marshall told the Harvard Alumni Association. He promised American assistance, "so far as it may be practical," to nations embarking on such a program. The purpose of such a policy should be to revive "working economy" and "permit the emergence of political and social conditions wherein free institutions can exist."

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Case of Rightist Militias Is Anything but Closed

By Frank Rich

NEW YORK — Closure, the buzzword of the week, is the panacea for all our American ills. No sooner was Timothy McVeigh found guilty than it was universally declared that closure would arrive soon for the loved ones of his 168 victims. The verdict brings *instant* closure to some troubled American institutions, too: The FBI proved that it could still get its man (even if it did bungle evidence), *and*, after the *O.J.* Simpson trial, the legal system proved it could still work. There's even closure for the press, which is already racing on to Paula Jones.

Closure truly is a balm for grief, and we can only hope that the mutilated families of Oklahoma City will find it. But if the rest of us are now lulled into complacency by a well-conducted trial's fair outcome, that's not closure — it's amnesia. Timothy McVeigh didn't come from nowhere but was an exemplar, however extreme, of a diverse, violent rightist fringe, ranging from neo-Nazis to gun-absolutists to Christian Identity white supremacists, that most journalists ignored prior to April 19, 1995. Now that his case is closed, will this terrorist netherworld be forgotten again? Though Mr. McVeigh may be going away, his political bedfellows and comrades in arms are not.

Yet unless a terrorist incident occurs in full view of a TV camera — as in the still-unsolved bombing at the Olympics — it no longer commands the national media. The mass carnage of the Oklahoma City bombing has so raised the bar of horror that other incidents are now "minor."

Not for their victims, however. Abraham Foxman of the Anti-Defamation League, which monitors militia activity, has noted "a dramatic increase in militia-related crime" over the past 18 months.

Since Oklahoma City, two serious bombing plots involving militia cells in Oklahoma and Michigan have been foiled; the targets included an ADL office in Houston and a federal building in Battle Creek, Michigan.

Abortion clinics have not escaped so easily. This year alone, bombings and arson have struck clinics from Portland, Oregon, to Atlanta — to name just the most violent of 14 incidents categorized as "extreme" by the National Abortion Federation. Remarking on how little attention is paid to these crimes, Gloria Feldt, Planned Parenthood's president, says: "There seems to be an inability to recognize that this terrorism is terrorism. Isn't bombing a woman's health center terrorism?"

If anything, Planned Parenthood's frustration right now is a replay of just three summers ago, when it held a press conference in New York to call attention to its self-defensive research into violent far-right activity threatening its members. Its lonely findings were all but ignored until Oklahoma City, at which point the Justice Department and journalists alike came running for valuable leads into militias and other terrorist groups that had turned up on Planned Parenthood's nationwide radar screen.

Even the above-ground political activity of the far right is now little noted. No one seems to know or care, for instance, that William Pierce, whose 1978 novel "The Turner Diaries" inspired Timothy McVeigh, spent last month promoting his neo-Nazi organization, the National Alliance, at conclaves starring the former Ku Klux Klan leader David Duke in cities like Cleveland and Tampa, Florida. Or that Norman Olson, the Michigan militiaman examined by the Senate and the television journalist Ted Koppel two years ago, this week unveiled new Waco-driven logic pronouncing the McVeigh verdict proof of government "culpability" in Oklahoma City.

The journalist Frederick Clarkson, whose new book, "Eternal Hostility," is an up-to-date guide to rightist factions, points out that it's "an authentic crisis of democracy when people seek to blame the government" for all ills and forsake the ballot box as a means of change. Chip Berlet, another longtime analyst of the far right, speculates that "perhaps as many as 5 million" Americans adhere to the most enraged varieties of rightist populism and are part of "the recruitment pool" for "neo-Nazi demagogues" waiting "to exploit and channel unresolved anger toward bloodshed and terror."

Thank goodness for closure. None of this is our problem anymore.

The New York Times.

LETTERS TO THE EDITOR

A Plan for Africa

Your celebration of the 50th anniversary of the Marshall Plan (May 28) pays just tribute to the distinguished men and women who moved the plan from idea to action and onto the platform of eternal history.

Today, we must remind ourselves that the world needs another Marshall Plan — this time for Africa.

George Marshall said his plan *was not "directed against any country or doctrine, but against hunger, poverty, desperation and chaos."* If the Europe of 1947 was *hungry, Africa today is hungrier,* and contains desperation and chaos on a scale the world has never seen.

This continent of about 720 million people has the lowest per-capita income and growth rates in the world. Its countries are torn by ethnic strife, disease, hunger, poverty and religious animosity, all arising from a dearth of hope and a gradual, inexorable march backward to a state of nature.

Western responses to the situation have been selfish, symbolic or both. This pessimism is also informed by the cynicism that Africa is a hopeless case, its people ignorant and irredeemable.

But what is the rest of the world going to do? Wish away the existence of the continent and risk greater epidemics and more deaths?

An Africa that goes to ruin while the world gawks is a blight upon the values that unite us as a human community. The time to do something is now.

REUBEN ABATI.
College Park, Maryland.

The author, a columnist and editorial writer for The Guardian in Lagos, is currently a fellow at the University of Maryland's school of journalism.

The Drug War

Regarding "Much Tolerance of Heroin Chic" (Opinion, May 24) by A.M. Rosenthal:

Mr. Rosenthal writes that, except among children, "drug use is decreasing — the result of the drug war."

The same week Mr. Rosenthal's article appeared, Dr. Martign Ten Ham, chief of drug safety for the World Health Organization, was quoted in Newsweek as saying that the sale of unregulated pharmaceutical drugs over the Internet was "like a fire growing fast; there's no real control."

JEANETTE F. HUBER.
Kinsale, Ireland.

Before Mr. Rosenthal's moral high horse runs completely away with him, he should consider the insanity of a legal system in which convicted murderers often get off more easily than possessors of minuscule amounts of marijuana, who can get life sentences.

CHARLES DICKINSON.
Paris.

Unseeded Masses

The front-page article on the French Open ("Tennis Without Rhyme or Reason," May 31) displayed a disgraceful lack of respect for the tennis stars of the future. The headline made no sense; the fundamental logic of all sports says the old champions *will fade and be replaced by the* young.

The writer seemed surprised that Pete Sampras could lose to the 21-year-old Magnus Norman: in today's world of tennis, that is not at all a tender age.

The comments about Gustavo Kuerten were even more offensive; since when does growing up in a beach community cause an athlete to be taken less seriously as a competitor?

When this "Brazilian from the beach" further demonstrated his talent by upsetting Ukraine's Andrei Medvedev a few days later, he was referred to as "riffraff" by the same writer *("Revolution in Paris, Unseeded Masses Rise," Sports).*

JAMES WILSON.
Paris.

Six Days of Fighting, 30 Years of Fallout

By Abraham Rabinovich

JERUSALEM — Taking shelter in a downtown building when shells began falling on Jerusalem 30 years ago, I found myself in City Hall. Mayor Teddy Kollek received me, a visiting correspondent, in his top-floor office. From his window, we watched dirty gray plumes rising all across Jerusalem as shells hit. It seemed as if the city were being blown apart.

Two days later, on June 7, I was on the Temple Mount in East Je-

1967 MIDEAST 1997

rusalem, which had just fallen to Israeli paratroopers. Long lines of Jordanian prisoners moved across the monumental esplanade, guarded by paratroopers cradling Uzis. Beyond the Mount of Olives, warplanes darted down over the Jericho Road, where the Jordanian Army was retreating.

The Six Day War was a watershed event that changed the course of Middle East history with the suddenness of a thunderbolt. Escalating border incidents between Israel and Syria and a false report by a Soviet diplomat that Israel was massing troops on the Syrian border had prompted the Egyptian leader Gamal Abdel Nasser to begin moving troops into Sinai on May 15. Nasser asked the United Nations to remove its buffer force from Sinai and declared the Tiran Strait closed to Israeli shipping, a clear casus belli. Israel mobilized its reserves.

Many historians today believe Nasser was only posturing. From Israel, however, the movement of the Egyptian and other Arab armies toward its borders evoked existential fears. Seven Egyptian divisions with 130,000 men and 1,200 tanks were confronted by an Israeli force, largely reservist, of 35,000 men and 500 tanks.

For three weeks, Israel futilely pressed the international community, particularly Washington, to force Egypt to reopen the strait. President Lyndon Johnson, embroiled in Vietnam, wanted no new commitments. On June 2, Prime Minister Levi Eshkol appointed the war hero Moshe Dayan as defense minister. Two days later, General Dayan called a press conference at which he said that it was too late for a military reaction to the Egyptian moves and that Israel would seek a diplomatic solution.

The next morning, about 7 A.M., 200 Israeli warplanes began taking off in carefully timed sequence. Their mission was to strike simultaneously at 11 Egyptian airfields, about 45 minutes' flying time from Israel. It was an operation that had been in the planning for years, one so secret that even the general staff had only a vague idea of its nature. The planes flew low over the sea to avoid radar detection and in total radio silence. As they converged on their targets at treetop level, the pilots pulled up to bombing altitude and began their runs, returning repeatedly to strafe the Egyptian warplanes deployed on the fields.

In his command bunker in Tel Aviv, the air force commander General Mordechai Hod found the reports he was getting from the flight leaders hard to believe. The number of enemy planes destroyed in the first wave was twice as high as anticipated. When the planes landed at their bases in Israel, they were refueled and rearmed within 10 minutes and the pilots took them up for a second attack. This time they flew at bombing altitude and were guided by enormous columns of smoke rising from the Egyptian bases. Within three hours, the Egyptian Air Force, with more than 400 planes, had been destroyed. The war was effectively over, except for the fighting.

On the ground, the three Israeli divisions facing Egypt had also launched their attack. In complex and fiercely fought battles, they succeeded in breaking the Egyptian lines and setting a rout in motion before the day was done.

Meanwhile, with the first reports of the Israeli air strike, Jordan's King Hussein ordered his artillery and air force to attack Israel. Within two days, Israel was in possession of Jordanian Jerusalem and the West Bank. On the morning of the fifth day of the war, Israel attacked up the precipitous Golan Heights and engaged the Syrian Army. By the evening of the sixth day, it had captured the Golan.

On the seventh day it rested.

The Middle East, however, would not rest for long. The consequences of that brief June war are still engaging Israel and the Arabs 30 years later.

The writer, a reporter with The Jerusalem Post, contributed this comment to the Herald Tribune.

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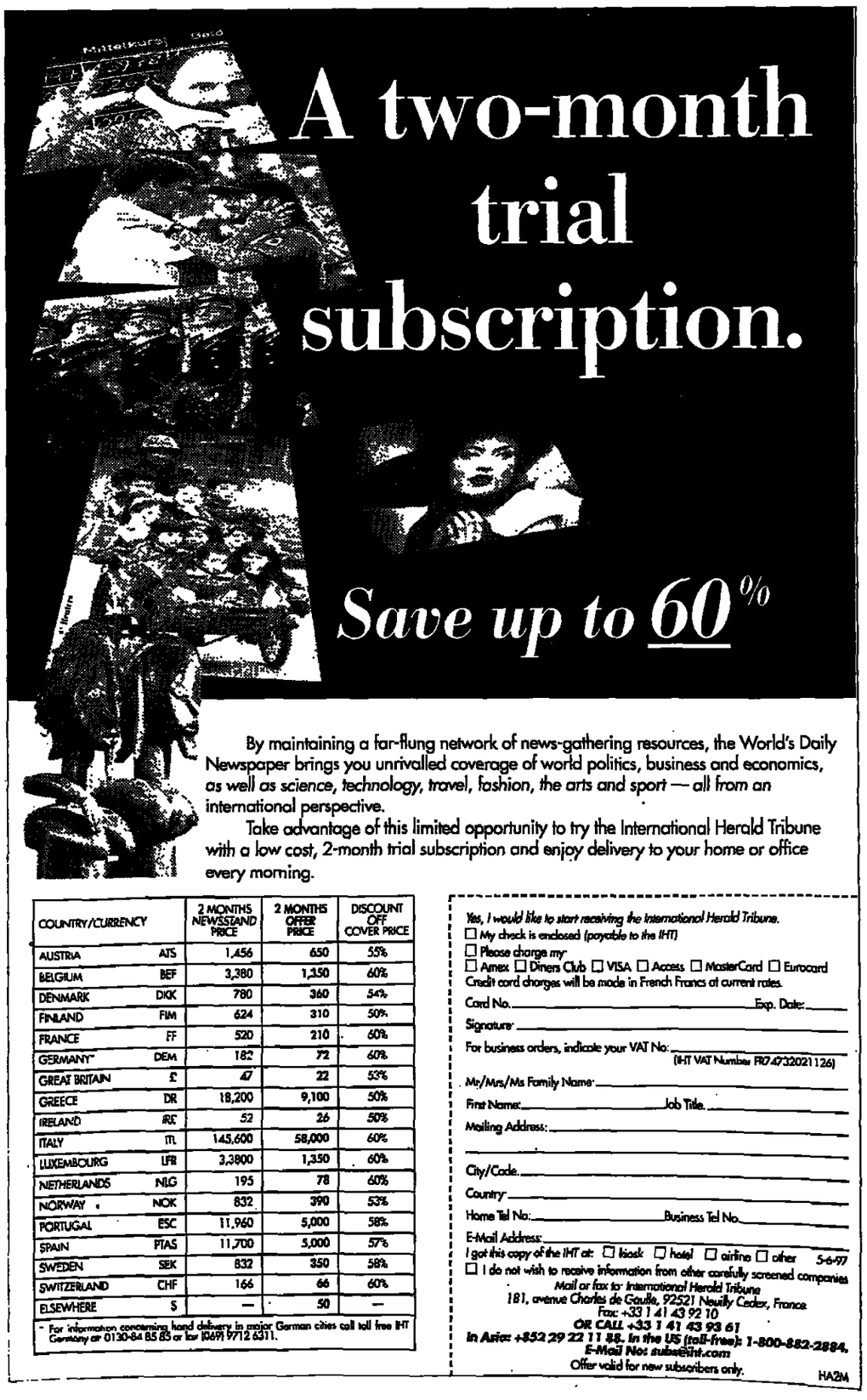

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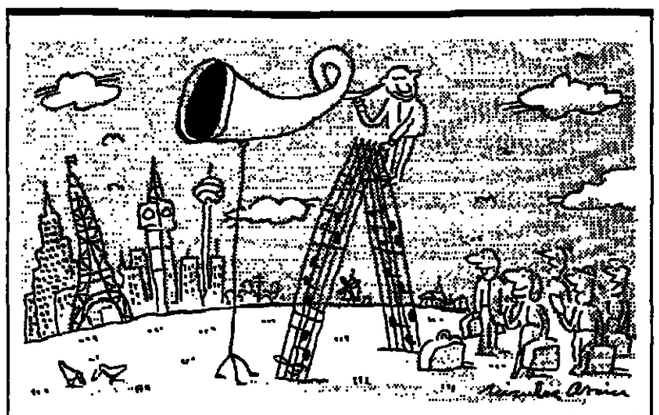


Nicolas Assouline/IHT

Some Like It Hot, Some Like It Cool

The Jazz Festivals of Summer

By Mike Zwerin
International Herald Tribune

PARIS — The subject won't go away. It keeps getting bigger. There's no avoiding it. What new to say about summer jazz festivals?

Well, there's more than nine ways to (sorry) give some skin to a cat. Let's leave the trodden paths between the usual three-ring circuses in favor of a few unexplored or at least unexpected places.

A FLEUR DE JAZZ, Parc Floral de Paris: A concert every Saturday afternoon at 4 through September. Admission to the gardens of the Parc Floral in the Bois de Vincennes is 10 francs (less than $2) maximum, jazz included. Call it free. Sit under a tent or lounge on grass. For example: June 21, Eric Watson; July 19, Antonio Hart; July 26, Danilo Perez; Aug. 16, Bireli Lagrene; Sept. 13, Enrico Rava/Aldo Romano; Sept. 27, Brad Mehldau. (33-1) 43-43-92-95.

FESTIVAL INTERNATIONAL DJANGO REINHARDT, Samois-sur-Seine, France, June 27-29. A wide spot on the river at the end of a cul-de-sac. Reinhardt retired to fish in this bucolic Parisian exurb not far from Fontainebleau, and he died here. Cafés and restaurants face a bandstand on a cute small island. The accent is on the heritage — Gypsies with guitars circle their caravans and play as well as listen. The Quartet of the Hot Club of Norway, Patrick Saussois "Alma Sinti Gipsy Music," Philip Catherine, Babik Reinhardt, Richard Galliano. Three "sons of Django" — Jim Nichols, Romane, Martin Taylor. Sunday morning memorial mass. (33-1) 64-69-64-66.

MONTREAL INTERNATIONAL JAZZ FESTIVAL, June 26-July 6: One of the most respected circuses of them all, five rings at least, the large proportion of quality free concerts pretty much takes over downtown. Stars in the evening include Manhattan Transfer, Herbie Hancock, Joe Lovano "Celebrating Frank Sinatra," Tony Bennett, Diana Krall, Eddie Daniels and "The Five Seasons" with I Musici, The Count Basie Orchestra. (1-888) 515-0515.

MONTREUX JAZZ FESTIVAL, Switzerland, July 4-19. The most ambitious, commercial and eclectic programming known to jazzkind in a tidy town on the Swiss Riviera. An offfestival with a free view of the Alps in the afternoon. In the evening, a choice of two halls: Bobby McFerrin, Gilberto Gil, Papa Wemba, Roy Hargrove, Ziggy Marley, Sheryl Crow, Ahmad Jamal, Bela Fleck and the Flecktones, Monty Alexander, Eric Clapton, The Chieftans, Don Byron, Earth, Wind and Fire, FFF, Kenny Garrett and so on — and on and on. Beware the big bad Swiss franc (package deals available). (41-21) 623-4567.

ESTORIL JAZZ FESTIVAL, Portugal, July 2-11: Once a royal watering hole, Estoril has moved a few classes down the tourist scale. Never mind, the perfumed coast west of Lisbon is still magic, if sometimes overrun. Concerts in the casino and in the park. McCoy Tyner, Woody Herman Orchestra, Abbey Lincoln, Jerry Gonzalez and the Fort Apache Band, Bud Shank, Frank Foster Orchestra. (351-1) 483-1000.

UMBRIA JAZZ FESTIVAL, Perugia, Italy, July 11-20: A combination of ambitious size, beat-the-band programming, businesslike organization, mind-blowing architecture and taste-bud-popping pasta. If there is such a thing as the one and only best, this is it. Concerts in a park, the ruins of a medieval church, a stunning Renaissance theater, and the beer flows in stone-walled wee-hour joints. Hank Jones, Dee Dee Bridgewater, Marcus Miller, Manhattan School of Music Big Band, Ray Brown, Courtney Pine, Joshua Redman, Jazz Passengers with Deborah Harry, Steve Coleman, Rockin' Dopsie Jr. & The Zydeco Twisters, Tom Harrell, George Russell, Youssou N'Dour, T.S. Monk. (39-75) 573-2432.

JAZZ IN MARCIAC, France, Aug 7-17: The biggest difference between human beings is neither race, nationality, age nor religion. It is the difference between city and country. Time is different, and space. The twain meet here in the Gers, the middle of nowhere in southwestern France, where the music comes to the folks rather than the other way around. A perfect blendship of culture, major-league sound, good ecology and friendship. Johnny Griffin, Jacky Terrasson, Wynton Marsalis, David (Fathead) Newman, Frank Lacy, Benny Waters, The Carnegie Hall Jazz Band, Tommy Sancton, Phil Woods, Ray Charles, Original Prague Syncopated Orchestra. (33-5) 6209-3333.

A Somber Search for Ireland's Past

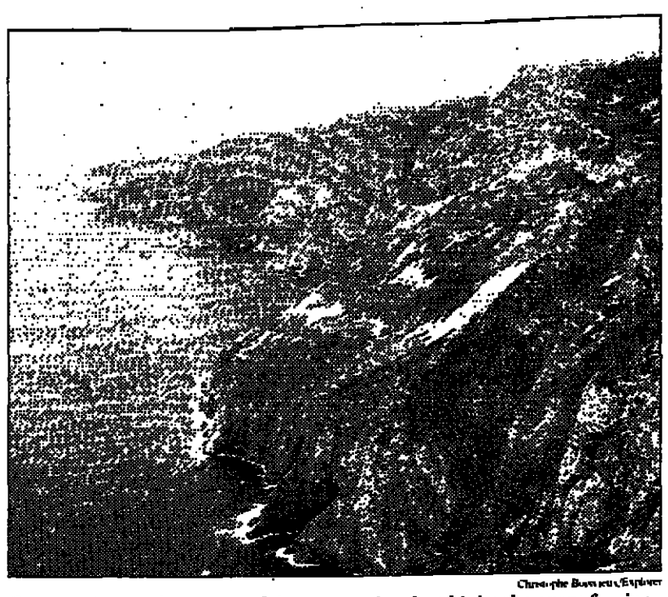
By Christine S. Cozzens

MOST visitors to Ireland first come upon evidence of the Great Potato Famine of 1845-50 where I did — in the graveyards. Prowling around the north transept of St. Mary's Collegiate Church in Youghal, County Cork, one afternoon, I was surprised to find a large, rounded-off pyramid of earth surrounded by an iron railing marking a famine grave.

Sir Walter Raleigh is said to have introduced the potato to Ireland next door in the garden of his mansion, Myrtle Grove. In Kilmallock, County Tipperary, a huge expanse of prime real estate stands empty in the middle of a housing development, and in lush pastures above the town of Callan in County Kilkenny, one field of green has been landscaped as a memorial to the dead buried there.

Many famine burial grounds bear no markers. In Dunfanaghy, on the north coast of Donegal, townspeople directed me to a triangular yard of grassy mounds on a hill overlooking the bay. The swollen earth, untouched after all these years, is eloquent if silent.

Once Europe's most densely populated country, Ireland lost a quarter of its population through death (about 1.5 million) or emigration (about 1 million) as a result of the blight that devastated seven consecutive potato harvests, a period of unimaginable suffering that transformed the society and landscape so profoundly that it has taken generations for its stories to be told.



Christophe Bouvet/Explorer

Coastal Donegal was one of the regions hardest hit by the great famine.

COMMEMORATIONS The sesquicentennial of "Black '47" — the worst year of the famine — is being commemorated this year. And for the next several years in Ireland, the famine will be the subject of exhibitions, radio plays and television programs, books and articles, and service projects related to world hunger.

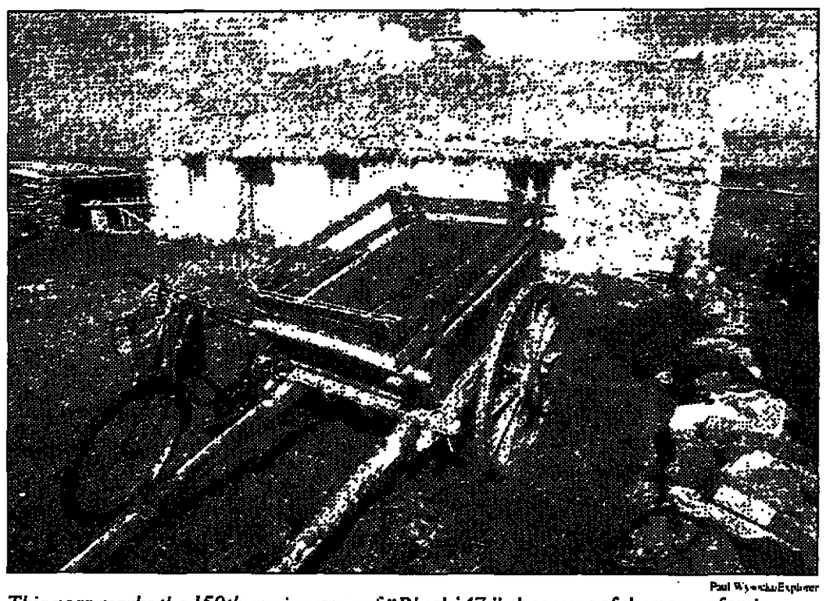
The famine produced few works of art and no architectural monuments. Most contemporary guidebooks — if they mention it at all — treat this calamitous event in a paragraph. Yet the famine's mark is visible everywhere, and the traveler attuned to its presence will see an Ireland of more shading and nuance than the country of pubs and shamrocks — a portrait in the realist mode.

Since 1800 the British government, ignorant of Irish language and culture, had ruled Ireland, and when in 1845 reports trickled into London of a potato harvest blackened and inedible, few observers envisioned widespread starvation. The cause of the blight to Ireland's dietary staple — a fungus from America — remained a mystery, as politicians and pundits blamed everything from the weather to Irish fecklessness. Though the worst was over by 1852, the tide of emigration that surged with the famine continued for a century.

Over 20 years of traveling the country, I had collected many references to this supposedly invisible epoch and wanted to know more, so last spring I followed an erratic, impractical itinerary from one end of Ireland to the other in search of fragments of famine history.

I began my search for Famine Ireland in Strokestown, County Roscommon, in the rich midlands farm country, land of the "big houses" built and sustained by the labor of tenant farmers. Beyond a triple-arched gateway in the town center lies a white stucco Palladian-style edifice, Strokestown Park House, whose owner, Major Denis Mahon, was assassinated in 1847 after forcing more than 3,000 of his starving tenants to emigrate. It now houses Ireland's first major exhibition chronicling the forces that made the potato blight so catastrophic. Set in the former stables, the Famine Museum opened in 1994, and draws together research and testimony, including Strokestown Park House's original estate records.

In the main house, the reception rooms and private quarters are furnished with original belongings in telling contrast to the conditions of the tenants as depicted in the museum. In the 1840s on rent day the farmers entered the landlord's home through a tunnel built to keep the crowds from interfering with the parkland views.



Paul Wyczechowski/Explorer

This year marks the 150th anniversary of "Black '47," the worst of the potato famine.

While many landlords fled during the famine years, others took an active role in improving conditions at home. In the 1840s, Ireland's Gothic Revival enjoyed a resurgence as estate owners invented projects to provide employment because they feared the debilitating effects of charity. The famous "shilling a day" walls that surround so many estates — like the long stone wall at Castle Leslie in Glaslough, County Monaghan — are not ancient fortifications but famine relief projects.

When the blight struck, the Earl of Rosse, owner of Birr Castle in County Offaly, turned the castle's resources over to community relief and research into the cause of the disaster. To provide jobs, he embarked on several building projects: a star-shaped moat and a crenelated keep, both designed by the earl's wife, Mary, to enhance the castle's Gothic appearance and still standing today. Not far from the castle, behind the largely intact workhouse, the mass famine grave is marked by a simple Celtic cross put up recently by a local woman at her own expense.

Sometimes relief came with a price. West of Strokestown, on the northern rim of Clew Bay, lies Achill Island, County Mayo, one of the regions hardest hit. Even before hunger intensified the religious and cultural differences. Protestant ministers moved into Catholic, Irish-speaking areas of the country like Achill hoping to win converts. In the 1830s the Reverend Edward Nangle set up a Church of England mission in the village of Doogort at the base of Slievemore, an immense mountain touched with mica and quartz.

Nangle hoped to spread the English language, and when famine struck, he added food and shelter to the advantages of the Protestant faith. Called Souperism because soup was offered for the price of conversion, this tactic caused strife on Achill and elsewhere, but in other places Catholics and Protestants worked together to provide relief. The brightly painted missionary buildings house a hotel now, and Nangle's church is still in use.

Villages along the Donegal coast benefited from relief projects, but hard labor tended to worsen the condition of already ill-nourished workers, and political wrangling dismantled the program before it could be reformed.

Durable Structures

But in towns all over Ireland, the public works projects — municipal buildings, roads, bridges and viaducts, drainage systems — were solidly built and many exist today. In the tiny cliffside village of Bunbeg straddling the mouth of the River Clady, the harbor and the nearby grain store were built as part of this program. Farther north at Portnablagh, the stone pier in the tiny harbor bears the date 1849.

In Donegal I visited the recently restored Dunfanaghy Workhouse, one of 130 such structures the British built for relief in Ireland on the eve of the famine, little realizing how quickly they would fill to overflowing. Many workhouses still stand and are easily recognizable by their architecture and by the 1840s date above the main door. Some, like the one in nearby Letterkenny, serve as museums of local history, while others maintain a vestige of their original purpose as hospitals or nursing homes.

The Dunfanaghy exhibition focuses on famine history, including artifacts, illustrations, and recorded testimony from survivors. The building's bilateral structure reflects the separation of men and women, boys and girls; families were divided, some never seeing their relatives again.

The prevailing philosophy — considered advanced for its time — was to make workhouse life humiliating so that only the most destitute would apply. Upon acceptance, inmates donned uniforms, gave up all land holdings and personal effects and, already weak from starvation, carried out hard labor. By 1847 workhouse deaths had soared to 2,700 a week.

In spite of some prosperity brought by tourism, Ireland's western counties still wear an atmosphere of desolation inherited from famine times, a product of the mass emigration that transformed these former strongholds of Irish culture and language. In Mayo, Galway, Clare, Kerry and Cork, there are still ruins of cottages, churches, and stone walls marking settlement boundaries that were abandoned during the famine or afterward.

West Cork is still haunted by famine stories. On the Mizen Peninsula, a finger of land jutting out into the Atlantic, residents tell of a long tradition of watching the emigrant ships far out at sea sail westward. The travelers' last glimpse of Irish soil would have been Fastnet Rock, six miles off Mizen Head and the scene in 1847 of the wreck of the Stephen Whitney, a ship carrying emigrants.

On either side of Roaring Water Bay, the towns of Skibbereen and Schull prosper today, the former as the region's chief business center, the latter as a yachting venue. Skibbereen and Schull were once described as "those two famine-slain sisters of the south." As the suffering worsened in the southwest, a local minister published graphic reports on the conditions at Skibbereen.

The cry "Revenge for Skibbereen" has fueled anti-British protests in Ireland ever since, and the local workhouse was burned in 1921, during the violence that preceded independence.

IN Skibbereen today, only the old steam mills near the river, site of a soup kitchen supported by subscription, and the workhouse wall now surrounding a hospital, remain. But at Abbeystowry, west of town, amid the ruins of the 14th-century Cistercian abbey, a field of uneven grassy mounds and a memorial mark the mass burial ground or famine pits, where during the 1840s a nightly procession brought hundreds of bodies. Carpenters worked night and day, but eventually the pits could not accommodate the extra bulk of the coffins.

At the head of Cork harbor, the town of Cobh, formerly known as Queenstown, commemorates the drama of emigration. After the famine years, depressed conditions in Ireland led another 2 million people to leave, reducing the population of the island to 4 million, where it stands today. With its wrought-iron railings, street lamps, and neat flower beds, Cobh (pronounced cove) — the major embarkation point for North America from the famine to 1950 — blends Georgian and Victorian architecture along a waterfront once congested with passenger ships. The original train station and transit point has been carefully restored. Called the Queenstown Story, the spacious building houses a collection of luggage and personal items carried on board and audiovisual displays, including dioramas depicting the severe conditions of shipboard life.

My great-grandfather, Nicholas Cozzens, who left County Wexford as a boy during the famine, probably sailed from Cobh.

Christine S. Cozzens, who teaches writing at Agnes Scott College in Decatur, Georgia, wrote this for The New York Times.

Of Chamber Pots and Potatoes in Munich's Museums

By Roderick Conway Morris
International Herald Tribune

MUNICH — Free admission for "over-99-year-olds accompanied by their parents" and, indeed, anybody, so long as they view the museum "from the outside," are two of the distinctive attractions of the Valentin Museum, which occupies the Isartor, a medieval gateway to the city. It is dedicated to the life and times of Karl Valentin (1882-1948), Munich's zaniest music-hall artist, stand-up comic and author of several hundred plays, films and sketches.

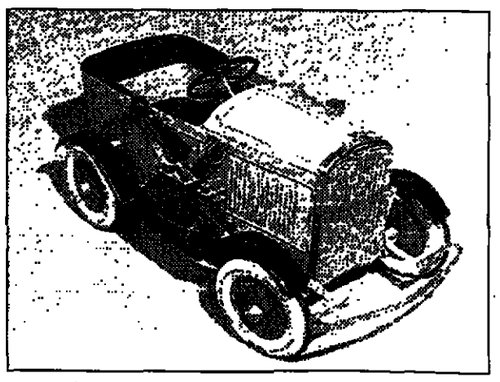
For those who don't qualify for the uniquely generous concessions offered by the Museaum (whose adjusted spelling wickedly mimics the pronunciation of the kind of hopeless ignoramus who wouldn't be seen dead in one), the entrance charge of 299 pfennigs ($1.75) seems a not unreasonable price to see Valentin's only painting, an entirely black canvas, "Chimney Sweep by Night," to make the acquaintance of Professor Fluidum, inventor of a weed-killer so potent it made "even the shovel bloom," and to encounter a host of other manifestations of Valentin's fruitfully deranged imagination.

RENDEZVOUS The café, 87 spiraling steps up on the top floor, is a popular rendezvous, with a table reserved for "old fogies," the trombone with which Valentin caused untold distress to himself and his listeners, and dozens of objects evoking this life-enhancing anarchic figure.

In a city that takes its cultural life seriously and has excellent museums on just about every subject from Egyptian art to Electricity, the Valentin Musaeum might seem an eccentric anomaly, but turns out to be the tip of an iceberg of oddball museum culture. A stone's throw away from the Isartor, at 41 Westenrieder Strasse, is ZAM, the Zentrum fuer Aussergewoehnliche Museen (The Center for Unusual Museums), the creation of Manfred Klauda, the doyen of Munich's alternative museum curators.

"I wanted to paint when I was a young man and even had some exhibitions, but this was just after the last war. My parents had no sympathy with my artistic ambitions and told me to study something to make a proper living," said Klauda, who reluctantly became lawyer, but at 60 retains an irrepressible air of good humor, energy and curiosity. While plugging away at his unchosen profession Klauda continued to haunt museums, galleries and auction rooms, and it began to strike him that a number of interesting but peculiar areas of cultural history were passed over in standard institutions.

"Then I happened to go to an auction and found a small collection of chamber pots for sale. I was amazed not only how nice these potties were, but how clearly they represented progressive changes in artistic and decorative styles," he said. Klauda now has more than 8,000 chamber pots, of which 2,000 are on show at ZAM. The collection stretches from Roman times to some remarkable Art Nouveau productions of the turn of the century, after which the utensil began to disappear.



A pedal-driven classic car copy in Munich museum.

Refined Workmanship

The refinement of many of the pieces, made by the most celebrated makers of ceramics and porcelain, and some bearing the coats of arms of aristocratic and royal families, is extraordinary — the point being, as Klauda said, that "the highest-quality products were still made by the best artists and craftsmen available, regardless of the fact that, in this case, they were making chamber pots."

There is also a whole section devoted to the bourdaloue. These gravy-boat-shaped objects, nowadays often mistaken for antique tableware, were named after a French Jesuit preacher, Louis Bourdaloue (1632-1704), whose fashionable but interminable sermons led aristocratic female fans to bring with them discreet vessels to relieve themselves if the need arose. Bourdaloues also proved generally convenient for ladies wearing the cumbersome full-dress of the period, and for those traveling by coach. The principal manufacturers in China, Japan and Europe produced them for a mainly upper-class clientele, and Klauda's collection contains monogrammed ones made for Marie-Antoinette and her sister Marie-Christine, and toy ones for dolls.

Since launching the center Klauda has received both loans and donations and has acquired objects that enabled him to hold a series of temporary shows on specific themes and to create more permanent sections in the museum. A recent temporary exhibition covered the evolution of the Christmas tree — originally often hung from the ceiling like a chandelier — and new longer-term rooms reveal the mysterious history of Easter bunnies and Easter eggs (traced back to their origins as fertility symbols in ancient religions) and a marvelous collection of children's pedal cars, a pint-sized museum of the development of the automobile, with some obviously expensive pedal-driven models of classic makes from Bugattis to Buicks. (Klauda once pedaled one of these robust, child-proof vehicles from Munich to Dresden).

The pedal cars and Easter bunnies at ZAM are particularly popular with children, as is another museum not far away at 53 Neuhauser Strasse, the Jagd und Fischereimuseum (Museum of Hunting and Fishing). It is housed in a magnificent former Augustinian church and, apart from paintings and antique firearms, it has an enormous collection of stuffed animals.

AMONG the prize exhibits are Wolpertingers: mythical, rabbitlike creatures with claws like birds and wings, which mischievous taxidermists concocted to fool gullible folk. A number of examples are shown in their woodland habitat, with a deadpan map of their distribution in remote parts of southern Germany.

A recent newcomer to the ranks of Munich's seemingly off-the-wall, but informative collections, is Das Kartoffelmuseum (Potato Museum), at 2 Grafinger Strasse (near the Ostbahnhof). This provides an absorbing history of the "true gold of the Incas," illustrated with contemporary paintings, drawings, engravings, prints and other exhibits, from the tuber's origins in the Andes (where the Incas not only worshipped but perfected a method of freeze-drying the vegetable), to its arrival in Europe as a purely decorative plant, then delicacy for the rich, and later staple for the poor and source of alcohol, paper, soap and cosmetics. Among the curiosities on show is a promotional pin-up, put out by the Idaho-potato growers, of Marilyn Monroe in a fetchingly figure-hugging, made-to-measure potato sack.

هكذا من الأصل

THE FREQUENT TRAVELER

Unhappy Customers Talk Back

By Roger Collis
International Herald Tribune

JUST in case there's a business traveler who has any doubt that air travel is a miserable, often degrading, experience, here comes United Airlines with a $125 million multimedia advertising campaign apologizing to road warriors for the "pitiful state" of air travel and promising to make amends with a $400 million program of "service enhancements" — a "blueprint that will enable the airline to revolutionize air travel in the next several years."

The campaign is based upon "one of the most exhaustive studies of air travelers ever undertaken," according to Gerald Greenwald, United's chairman and CEO. "It would be disingenuous of me to say we weren't already aware of the fact that air travelers are unhappy," he says, somewhat ingenuously, you might feel. "What shocked us was the depth of dissatisfaction we uncovered."

According to United, "air travel can be a frustrating, isolating experience for *business travelers*" *who often feel* "trapped or helpless when things go wrong," have learned "to look out for themselves because the airlines won't look out for them" and "don't believe all that we tell them when planes are delayed or canceled." And when it comes to fares, "they feel we've cheated them."

Getting No Respect

Travelers faulted airlines with a range of shortcomings from ticketing, check-in and in-flight amenities to baggage-handling and punctuality. Business travelers — who account for 9 percent of customers and 45 percent of revenues — "do not feel that airlines show them the respect they deserve."

Airlines have rarely had it so good. Fares have increased with rising demand, faster than the rate of inflation, according to the American Express Air Fares Index, especially for business travelers emerging from the recession.

The Association of European Airlines (representing 26 carriers) reports that passenger traffic for April increased by 11 percent. Overall "load factors" are on course for a record 71 percent this year.

The growth of alliances, such as the recently announced Star Alliance between United Airlines, Lufthansa, SAS, Air Canada and Thai Airways, and the controversial American-British Airways alliance on the North Atlantic, has, arguably, resulted in less competition and lack of consumer choice on many major routes. Airlines, especially in the United States, have been retreating to their core hubs, tacitly relinquishing business to their rivals, creating monopolies or duopolies on major routes. Delta, for example, with a monopoly on nonstop flights between JFK and Salt Lake City, offers a cattle-truck service worthy of travel in the former Soviet Union.

Richard Whitaker, editor of Airline Business magazine, says: "The United case is quite significant. Airlines have concentrated on cost-cutting, making themselves more efficient, and now they're starting to realize they've forgotten the customer. I mean, Greenwald of United standing up and saying, 'We *shouldn't be talking about United's* friendly skies' — their slogan for 30 years. He's right!"

□

The most important factors in choosing an airline are a convenient schedule and a reputation for safety, closely followed by on-time performance, comfort and legroom and efficient check-in, according to the OAG Business Lifestyle Survey 1997. The survey looks at attitudes and behavior among 5,250 frequent travelers in Britain, the United States, Japan, Italy, France, Singapore, Germany, Australia and Hong Kong.

"Cheapest available fare" ranked only ninth in factors influencing choice of airline, after frequent-flier programs, friendly/helpful cabin staff, and advance seat selection. Forty-four percent of respondents traveled in economy on their *most recent trip*, a slight increase from 1996. The more they travel, the more they want frequent-flier awards and access to lounges in preference to a cheap ticket.

North America is the most popular business destination, especially with the French (60 percent) and British (58 percent). Around 45 percent of travelers from America and Asia Pacific have visited Europe in the last 12 months.

Among Europeans, Germans are the most frequent visitors to Asia; the French travel most to Africa; the British make most trips to Australia, while Italians travel the most to Central and South America and the Middle East.

The highlights Ian Wheeler, marketing director, Europe, Middle East and Africa for OAG, says: "I think there are four highlights: First is that travelers are saying time and time again that time — convenience of schedule — dictates how and when they fly, despite all the airline hype about in-flight cuisine and entertainment.

"Second is the truth behind the myth that the typical business traveler is a young high-flier with a large multinational. They are much older than the young, dynamic people you see in the ads — especially Americans, half of them over 55 — who spend a considerable part *of their working life traveling and working* quite hard.

"Third is the use of technology — the first time we've asked this question. Nearly a quarter of travelers have accessed the Internet, but only 4 percent have used it to book travel — mostly Americans and Japanese. There's potential there, but it's not as immediate as a lot of people are saying.

"And fourth, differences in cultural traits, which make fascinating reading. I'm always surprised that there are so many differences despite the fact that business travelers lead such similar *working lives. The big differences are* things that people prioritize when they're traveling. The French like comfort, food and drink during the flight, plenty of legroom, and are very conscious of FFP status and perks; the British are especially fond of the airport lounge, and Americans are most avid for FFP miles."

A common sentiment: Business travelers will do almost anything on a plane — sleep, read, work, eat, listen to music — as long as they don't have to talk to the person sitting next to them.

GOOD TRAVEL DEALS

AIR CANADA	Britain to Canada	Aeroplan members traveling in business class or full-fare economy earn triple or 25,000 miles — whichever is greater — on any round-trip between London and Canada. For travel until Aug. 31.
AIR CHINA	London to Beijing	Round-trip economy fare costs £399 ($650) for travel during July. Some restrictions apply.
AIR UK	Europe	Special round-trip fare of £59 ($95) for passengers traveling on the first morning flights to Amsterdam, Edinburgh and Rotterdam from England. No minimum stay; return any time subject to availability.
EL AL	France to Israel	Second ticket half price on round-trip economy flights from Paris to Tel Aviv or Eilat. Certain conditions apply. From June 26 to July 23.
EUROSTAR	London to Paris	Premium First, which matches the price of a full-fare business-class air ticket of £370 ($605), includes taxi transfers at Waterloo and Gare du Nord to city-center addresses, meals with champagne and wine, and access to lounges in London and Paris. Tickets are interchangeable with British Midland business-class flights.
GULF AIR	Britain to Middle East	Four promotion options for travel from London Heathrow to Doha, Abu Dhabi, Bahrain or Muscat: automatic upgrade to next class when you pay the full economy or business-class fare; pay the single full fare in economy, business or first class for a free return leg; two-for-one in economy, business or first class; special round-trip economy fares from £399 ($650). Travel must start before July 15.
RIAIR RIGA AIRLINES	London to Riga, Latvia	Passenger paying a round-trip economy fare of £550 ($900) will be upgraded to business class at check-in (subject to availability).
TRANSAVIA AIRLINES	Nice to Amsterdam	Round-trip fare of 1,485 francs ($255) — plus 10 percent discount for over 60s.
CHELSEA HOTEL	London	"London Event-Package" for £85 ($138) per person for a one-night stay in double room includes English breakfast, two-course evening meal and taxi to your choice of event in the West End. Until Aug. 31.
THE CLARENCE	Dublin	Summer package for 432 Irish punts ($645) for two people includes two nights' accommodation, Irish breakfast, one dinner at the hotel, and a guided pub tour. Until Oct. 31.
KOWLOON HOTEL	Hong Kong	Singles from 1,300 Hong Kong dollars ($168) per night includes American breakfast, Internet and E-mail access and fax machine, late check-out until 6 P.M. Until Sept. 15.

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

MOVIE GUIDE

Trial and Error

Directed by Jonathan Lynn. U.S.

Nobody who hires Michael Richards to play a fight scene should ever have to worry about finding anyone to hit him. Richards, the rubber-limbed not-so-secret weapon of "Seinfeld," can do the job hilariously all by himself. One brief, priceless bit in "Trial and Error" finds him auditioning for a mobster's role and flopping all over the scenery, taking a merciless beating with no assailant in sight. He's supposed to be playing a ridiculously bad actor and he rises most avidly to that challenge. Richards teams up wittily with Jeff Daniels in "Trial and Error," a comedy that's much fresher and sunnier than it has any real right to be. Jonathan Lynn, the director of "My Cousin Vinny," has essentially made the same film all over again in a different setting, but the formula still works. Once again a faker is forced to play a lawyer, this time in panoramically beautiful Nevada instead of the sleepy South. Lynn, a clever English filmmaker with a gently satirical eye for arch-Americana, knows just how to make the lone tumbleweed blow across the road in this cowboy town. "Trial and Error" works best when simply unleashing its madness on the legal system. Austin Pendleton as the gimlet-eyed judge and Rip Torn as an old reprobate help bring this travesty of justice to zany heights in a couple of sustained testimony scenes (Torn has a thrillingly shameless monologue). As an expert witness who earnestly explains why Twinkies resemble cocaine, Dale Dye has a brief but scene-stealing role. *(Janet Maslin, NYT)*

Underworld

Directed by Roger Christian. U.S.

This is a very strange bunch of criminals. They have the eyes of hardened men, they kill with deliberate casualness and they are all huge fans of Broadway musicals. When Johnny Crown (Denis Leary), praising Rodgers and Hammerstein while pouring Champagne, begins to sing "Anything You Can Do," Frank Gavilan (Joe Mantegna) knows that's an Irving Berlin number instead and says so. When Johnny mentions having played the Mitzi Gaynor role in "South Pacific" in prison, Ned Lynch (Larry Bishop) says "Nellie Forbush" and nods, impressed. Well, Gaynor was only in the film version, but you get the idea. Yet "Underworld," the new film that these characters inhabit, is not a comedy. It's a bloody, ultraviolent, profane psychological thriller that is probably trying to be "Pulp Fiction" and in the attempt proves just how brilliant "Pulp Fiction" was. John Travolta and Samuel L. Jackson made Quentin Tarantino's pre-crime banter about Big Macs and foot massages look easy, but apparently it wasn't. "Underworld" contains echoes of "Unforgiven," too, and, at the beginning, the lingering shots of a row of men being gunned down owe it all to "Bonnie and Clyde." Fine actors in the lead roles struggle to maintain their dignity and to breathe believability into these characters, who all talk strangely alike, and to an admirable degree they succeed. *(Anita Gates, NYT)*

ARTS GUIDE

BELGIUM

Brussels

Palais des Beaux-Arts, tel: (2) 507-8466, closed Mondays. To Aug. 17: "Alberto Burri." His experience as a prisoner of war in Texas had a strong influence on the Italian artist (1915-1995), inspiring the use of torn sacking, tar, burnt wood and plastic in his work. The exhibition brings together 100 items.

BRITAIN

London

European Academy & The Accademia Italiana, tel: (171) 235-03-03, open daily. To July 20: "Serenissima: The Arts of Fashion *in Venice from the 13th to the 18th* Century." Traces the Venetian fashion industry from carnival costumes, ornate fabrics and accessories, to tools of the trade. Also in the show, paintings and prints, including works by Pietro Longhi (1702-1785), illustrate Venetian life and manners.

FINLAND

Helsinki

Museum of Foreign Art, Sinebrychoff, tel: (0) 17-33-61, closed Tuesdays. To Aug. 17: "The

Hans Bellmer's "Le Chapeau-Mains," in Paris.

Rose Madonna and Other Masterpieces from Utrecht." In the 16th and 17th centuries, Utrecht provided a fertile ground for the development of religious art as exemplified here by Jan van Scorel's "Madonna." Also includes works by Dirck van Baburen, Gerard van Honthorst and Jan Weenix.

FRANCE

Paris

Fondation Cartier pour l'Art Contemporain, tel: 01-42-18-56-50 closed Mondays. To Nov. 2: "Amours." The expression of love as depicted in drawings, paintings, videos and sculptures. Features works by Brancusi, Ingres, Watteau, Rodin, photographs by Brassai and Mapplethorpe, and film excerpts.

Grand Palais, tel: 01-44-13-17-17, closed Mondays. Continuing/To July 14: "Paris/Bruxelles - Bruxelles/Paris." The confrontation between Belgian and French art in the second part of the 19th century.

Musee-Galerie de la Seita, tel: 01-45-56-60-17, closed Mondays. To June 14: "Bellmer Graveur." A member of the Surrealist movement, the German artist (1902-1975) became notorious for the eroticism of his drawings. The exhibition features 60 drypoints dating from the 1960s and '70s.

GERMANY

Berlin

Martin-Gropius-Bau, tel: (30) 254-86108, open daily. Continuing/To July 27: "The Age of Modernism: Art in the 20th Century." More than 300 works by 150 artists.

Bonn

Rheinisches Landesmuseum, tel: (228) 72941, closed Mondays. To Aug. 24: "Und Sie Haben Deutschland Verlassen .. Mussen: Fotografen und Ihre Bilder: 1928-1997." *Documents the lives and* works of the German photographers — including some who fell into oblivion — who had to leave Nazi Germany. More than 400 photographs are exhibited.

ITALY

Bologna

Galleria d'Arte Moderna, tel: (51) 50-28-59, closed Mondays. To Sept. 7: "Baselitz." Works by the German artist (born 1938), a leading artist in the Neo-Expressionist movement, and best known for painting faces upside down.

Florence

Forte di Belvedere, tel: (55) 234-24-25. To Sept. 30: "Phillip King." More than 90 sculptures, drawings and prints by the British sculptor (born 1934) are presented in the interior galleries and terraces of the Fort, located high above Florence. Celebrated for his innovative use of plastic, fiberglass and fluorescent colors, King has recently returned to human figures.

JAPAN

Tokyo

Bunkamura Museum, tel: (3) 3477-9150. To July 21 "Pierre Bonnard." 70 paintings by the French painter (1867-1947), whose paintings were influenced by Art Nouveau and Japanese prints.

Tokyo Metropolitan Art Museum, tel: (3) 3823-6921, closed Mondays. Continuing/To July 13: "Louvre: 18th-Century Paintings." More than 70 paintings by Watteau, Chardin, Boucher and Fragonard.

PORTUGAL

Lisbon

Centro Cultural de Belem, tel: (1) 301-9606, open daily. To Aug. 10: "Donald Judd: Escultura, Mobiliario, Gravura." Colored metal

Detail of Derain's "La Dansa," in Barcelona.

sculptures dating from the 1960s, pieces of furniture and engravings on Japanese paper by the American Minimalist artist (1928-1994).

SPAIN

Barcelona

Museu Picasso, tel: (3) 319-6310, closed Mondays. Continuing/To June 29: "Andre Derain, 1904-1912." The latest in a series of exhibitions devoted to artists who were influenced by Picasso. It brings together 60 paintings, sculptures and drawings created *during the years of a great friend*ship between the two artists.

SWEDEN

Stockholm

Nationalmuseum, tel: (8) 666-4250, closed Mondays. To Oct. 19: "Carl Faberge: Goldsmith to the Tsars." Carl Faberge was jeweler and goldsmith to the czar in the last decades of the Empire, and had workshops in St. Petersburg and Moscow. The exhibition includes some of the famous eggs, as well as enameled caskets, picture frames and small animal sculptures and flowers.

SWITZERLAND

Geneva

Musee Rath, tel: (22) 310-5270, closed Mondays. To Sept. 7: "Balthasar Burkhard: Eloge de l'Ombre." The exhibition traces the evolution of the photographer, *from the large realistic works of the* 1960s, to his fragmentary exploration of the human body, the Japanese influence and the late photographs of animals.

UNITED STATES

Houston

Museum of Fine Arts, tel: (713) 639-7300, closed Mondays. To July 20: "Portrait of a Decade: David Alfaro Siqueiros." More than 70 paintings, watercolors, woodcuts and lithographs by the Mexican artist, muralist and political activist (1896-1974).

CLOSING SOON

June 8: "The Berlin of George Grosz: Drawings, Watercolours and Prints, 1912-1930." **Royal Academy of Arts, London.**

June 8: "Hogarth The Painter: A Celebration of the Tercentenary of his Birth" and "Turner's Watercolour Explorations 1810-1842." **Tate Gallery, London.**

June 8: "August Sander: In Photography There Are No Unexplained Shadows." **National Portrait Gallery, London.**

June 9: "Le Miroir Noir: Picasso, *Sources Photographiques.*" **Musee Picasso, Paris.**

June 8: "Pouchkine Chez Balzac." **Maison de Balzac, Paris.**

June 8: "The Early Mondrian." **Kunsthal, Rotterdam.**

June 8: "Max Beckmann: Retrospective." **Fundacio Juan March, Madrid.**

June 8: "Art/Fashion." **Guggenheim Museum SoHo, New York.**

June 9: "Man Ray: Retrospective." **Musee d'Art Moderne et d'Art Contemporain, Nice.**

Fritz Escoffier
École de Gastronomie Française
PARIS

RENDEZ-VOUS WITH A VINTNER
Cooking demonstration and wine tasting
Château de Nozet, Pouilly-Fuissé
Tuesday, June 17: 7:00-10:00 p.m.
For reservations, telephone : 01 43 16 30 50

BOOKS

LAWYERLAND: What Lawyers Talk About When They Talk About Law

By Lawrence Joseph. 225 pages. $22. Farrar, Straus & Giroux.

Reviewed by Christopher Lehmann-Haupt

IN a dictionary of quotations, the very kindest quote about lawyers comes from Oscar Wilde: "Lawyers have been known to wrest from reluctant juries triumphant verdicts of acquittal for their clients, even when those clients, as often happens, were clearly and unmistakably innocent." So you brace yourself for the worst as you pick up Lawrence Joseph's new book, "Lawyerland: What Lawyers Talk About When They Talk About Law."

Joseph, who is himself a lawyer as well as a published poet ("Shouting at No One," "Curriculum Vitae," "Before Our Eyes"), apparently believes that lawyers behave among themselves differently from the way they do with people outside their profession. So he set out to meet in downtown Manhattan with as many different types of lawyers as he could find — corporate, criminal, labor, personal injury, medical malpractice and so forth — to get them to talk openly about their profession.

Out of the resulting conversations he has fashioned eight nonfiction pieces in the form of short stories, with "the names, circumstances and characteristics of the persons and places portrayed" in the pieces "changed." His book is "truthful rather than factual," he concludes, quoting Joseph Mitchell, "but solidly based on facts."

Sure enough, some of the talk does not reflect well on lawyers. A young associate, wondering out loud why she wandered into a profession she dislikes, remarks, "No one hates lawyers to the extent that they want their child not to be one." A federal judge says: "Lawyers know too much. If you know too much, how don't you lie?"

A specialist in defending personal-injury suits recalls "that psychotic who killed those people on the Long Island Rail Road," "the psycho who tried his own case," and reports, "One of the bailiffs — someone like that — said he wasn't all that bad, that, in fact, he was better in the courtroom than many, if not most, of the lawyers he sees."

"Lawyerland" is by no means unrelievedly negative. Joseph is good at catching the way people talk and the details of their mannerisms; many of his lively characters fairly jump off the page. Some of them hang themselves *with their indictments — like the several* lawyers who condemn their profession's greed and in the process betray their own avarice — so that a minus multiplied by a minus produces a plus.

Others he talks with cut bracingly to the heart of their subject, like the *medical-malpractice lawyer who blurts this* out about health-maintenance insurance companies: "The sons of bitches withdrawing necessary care to save money. We're coming up with ways to sue them, too — we're going to bring down the entire make-money-at-the-expense-of-the-patient boondoggle. The doctors aren't going to stop it, so we will."

And in the book's strongest piece, called "Cerriere's Answer," an argument between two lawyers on opposite sides of employer-employee relations is recorded so skillfully that two opposing philosophies are subtly but dramatically revealed.

This piece is so strong that it makes the reader feel justified in wanting "Lawyerland" to be more than a series of evocative vignettes. After all, Joseph is a poet, and therefore ought to know how to link his images coherently. And after all, by selecting as his epigraph the quote from the poet Rilke, "Don't be confused by surfaces; in the depths everything becomes law," the author encourages the reader to look for deeper connections.

Yet too often the points that "Lawyerland" is driving at remain elusive. "All great problems come from the streets," the federal judge pronounces, but although Joseph is so impressed with this remark that he uses it as the title of the piece, he never quite reveals its meaning. When someone else makes a point by quoting the German philosopher Friedrich Schlegel, "Irony is the awareness of the infinite plenitude of chaos," you begin to suspect that your leg is being pulled.

And when the young black lawyer *remarks of "the Tawana Brawley* thing," that "it didn't happen, but it could have happened, therefore, it happened," a degree of vertigo comes over you.

EVEN more frustrating, the parts of the essays often don't seem to fit together. A piece called "Transactional," about malpractice lawyers, ends with a powerful anecdote in which one of the lawyers describes how he nearly came to blows with a hostile shoe salesman. But what the story is supposed to illustrate, other than the protagonist's already established aggressiveness, is difficult to see.

Elsewhere, the stories go off on similar tangents that at first glance seem to mean something but on closer examination don't really make much sense.

Finally, "Lawyerland" is an unevenly provocative book that goes in and out of focus and leaves the reader groping in a mist. If it is meant to chart an unfamiliar territory, then it includes too many tracts marked only with the warning, "Here lurk lawyers."

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

THE Old Guard of New York bridge players has faded away, and a group of young upstarts has taken over. Roy Welland, Christal Henner-Welland, Elizabeth Reich and Brad Moss of Manhattan, Lapt Chan of Forest Hills, Queens, and Jon Heller of Brooklyn, whose average age is 33, battled to victory in the final of the Reisinger Knockout Team Championship. In the 68-year history of the event, they are apparently the youngest winners.

In a semifinal match, the Welland team eliminated the top-seeded squad.

The winners lost points on the diagramed deal when Welland landed in the sensible contract of five clubs. This seems certain to succeed, looking at all four hands, but West, sure from the bidding that the diamond ace was about to appear in the dummy, made the diabolical lead of the diamond nine. This suggested shortness in the suit.

Welland could not afford to finesse, which might result in the loss of a diamond trick and two club tricks, perhaps through a diamond ruff. He made the normal play of taking the diamond ace, cashing the spade ace, crossing to the heart ace, and playing the spade king. He was planning to discard both his remaining diamonds, and was not pleased when East ruffed with the club ten. He overruffed with the queen and had plenty to think about. Should he lead the club king or the nine?

Leading the king will succeed if West began with a singleton jack, which would mean that East has ruffed with the ten from ace-ten-four but he might not have done so. Leading a lower card will succeed if West began with the singleton ace, in which case East has chosen to ruff with the ten rather than the jack.

In other situations that seem to offer a chance, it is likely that West will score a ruff in diamonds: West probably began with a singleton or small doubleton in that suit. That is true if East began with ace-ten doubleton or jack-ten doubleton. These two situations do not balance out: ace-ten is more likely because East had a choice with jack-ten.

Welland played the club king and went down, losing 12 imps since in the replay North-South made three no-trump. His play was slightly wrong, although it takes much analysis to prove it. But West's brilliant lead gave him a nasty problem.

NORTH (D)
♠ K Q J 7 3
♡ A J 8 3
◇ A 10 5
♣ 4

WEST	EAST
♠ 10 9 8 6 4 2	♠ 5
♡ Q 10 7 2	♡ K 9 6 5
◇ K 9	◇ 8 7 6 4 2
♣ A	♣ J 10 6

SOUTH
♠ A
♡ 4
◇ Q J 3
♣ K Q 9 8 7 5 3 2

Both sides were vulnerable. The bidding:

North	East	South	West
1 ♠	Pass	2 ♣	Pass
2 ♡	Pass	3 ♣	Pass
3 N.T.	Pass	5 ♣	Pass
Pass	Pass		

West led the diamond nine.

هكذا من الأصل

INTERNATIONAL

Russia's Biggest Wheels Keep Nation Rolling

By Michael Specter
New York Times Service

MOSCOW — Sergei Sezikh occupies a special place in Russian society, a place so central, sacred and essential that life without him — and thousands of men like him — would be hard to imagine.

He is not a soldier or police officer. He does not paint or play piano. He cannot cook, and politics bore him. But for 15 years in which cars, engines and the blessed ability to travel have helped reshape Russia and broadened horizons for millions, Mr. Sezikh has repaired tires for a living. He used to do it by hand with strips of rubber, a pot of glue and a soapy bucket of water. These days a machine helps.

If that does not seem like a particularly exalted role in a country racked by historic change, constant indecision and increasing hardships, then you have never broken down on a country lane in the middle of the Russian steppe, or on a darkened city street, or in a farm village that looks like its newest buildings were put up by serfs in the 18th century.

"People need to move," Mr. Sezikh said with a shrug, twirling a newly patched wheel. "They can't afford good tires, they don't have the time to fix their own. I help them get where they need to go. It's always been very satisfying."

People used to wait years for the opportunity to buy a bad, overpriced Soviet car. Now they can get them on demand. They are still constantly in need of repair, though, and even newly manufactured cars become old fast here. So few skills are more honored than those required to turn a hissing heap of scrap metal back into something that can move forward without a tow truck.

Tires are the key to the whole system. New tires used to be rare. Now they are just too expensive. Old tires are still the only ones most people can afford — and that is why patching a tire has become an industry.

Russian men appear to have a special car gene. Rural priests who cannot find the keys to the church pickup have been known to hot-wire the thing, and to do it in less time than it would take a car thief in America. Soldiers put tank carburetors back together with tape.

Tires are the key to the whole system. New tires used to be rare.

Now they are just too expensive. Old tires are still the only ones most people can afford. That is why the vulcanization industry — if you can call patching a tire whacked back into something that could be described as a circle. "I don't have any money for anything but gas. I can't afford tires. But he can always fix what's broken."

If there is one thing left to connect this vast, disparate and inconsistent country, it may be the tens of thousands of rusty vulcanization shacks that are spread across it, the mechanic's equivalent of first-aid stations.

Charles Goodyear patented the rubber vulcanization process in 1844, but Russians have taken it — melting, gluing and patching a tire — to a level that Goodyear would never have envisioned.

The shacks are everywhere. In Grozny, during the worst moments of the Chechen war, there was always a shed in the center of town where you could take your bullet-pocked car to get its tires repaired.

But times are taking a toll on the freelance repair man. Oddly enough, in a country loaded with men on the make, in this area the entrepreneur has become endangered.

It looks these days as if Mr. Sezikh, and so many like him stationed throughout Moscow in corrugated tin shacks, are about to pass into history.

Yuri Luzhkov, the mayor of Moscow, has decided that wheel repair sheds should go the way of quaint old markets and wooden houses, which have been replaced by breathtakingly garish malls and concrete apartment blocks.

There are dozens of new gas stations in town these days, looking like they belong on a turnpike or an autobahn, and Mr. Luzhkov thinks they ought to start repairing cars.

"It would be the end of us, of course," Mr. Sezikh said. "We couldn't compete with chains of gas stations offering free service. I just hope they know what they are doing. Because not everybody does."

Would Mr. Sezikh and his colleagues ever consider working for one of the gleaming new stations that have started to appear throughout Moscow and other major cities?

"No way," he said, with a curt shake of the head. "It's not service there. People are in one minute and out the next. There is no pride in that. No feeling of satisfaction."

So what will he do if he is forced from his tin box in the middle of Moscow?

"I don't know," he said smiling. "Maybe I'll get a job at McDonald's."

James Hill/The New York Times

Sergei Sezikh taking time out from repairing tires in a shop in Moscow.

In Test of 'Asian Values,' China and Unesco Clash Over Freedom of Press

By Barry James
International Herald Tribune

PARIS — A war is raging between "Asian values" and Western standards of press freedom at Unesco headquarters here after the United Nations' cultural organization gave a prize to an imprisoned Chinese journalist.

Furious, the Chinese government is insisting that such prizes should not be allowed where it would "contravene the laws of the member state of which the nominee is a national."

But for Federico Mayor, the director-general of the UN Educational, Scientific and Cultural Organization, the issue is an important matter of principle. He is standing by the decision to award the prize to Gao Yu, a Chinese journalist who is serving a six-year sentence for what China says was the crime of revealing state secrets.

Mr. Mayor has struggled for the past decade to rescue Unesco from the policies of his predecessor, Amadou-Mahtar M'Bow, whose attempt to impose a "new world information order" gave the organization a reputation for censorship that has been hard to shake off.

Last month, Mr. Mayor went to Bilbao, Spain, to present the World Press Freedom Prize at the congress of the International Federation of Journalists.

In response, the Chinese government sent an unusually strong protest to Mr. Mayor last week, saying that giving the prize to Miss Gao "has grossly interfered in the internal affairs of China and hurt the feelings of the Chinese people."

China says it will force the issue to a debate and vote at a meeting of Unesco's governing Executive Board on Wednesday.

China insists that it is in favor of press freedom. It said it supported the establishment of the World Press Freedom Prize, which was set up in memory of the Colombian journalist Guillermo Cano Isaza, who was murdered by drug traffickers.

But China's delegate to Unesco, Zhang Chongli, said that Mr. Mayor had acted wrongly by awarding of the prize without approval from the Executive Board. Mr. Mayor had committed "a grave error, both politically and procedurally," Mr. Zhang said.

Mr. Zhang attacked Mr. Mayor for failure to pay "due regard to the diversity of different social and cultural conditions of the world," a typical argument used to justify the defense of "Asian values."

Mr. Zhang said Unesco was acting beyond its competence, "as if it were entitled to make judgment over issues which in some cases are highly political and sensitive and are entirely within the domestic jurisdictions of its member states."

The Chinese government sent a blistering protest to the Unesco Secretariat, canceling a planned speech by its education minister at the Executive Board meeting and breaking off a number of collaborative projects.

Mr. Mayor replied that the Unesco Secretariat was impartial in the awarding of the prize, which was decided by a panel of 15 independent journalists and editors headed by Claude Moisy, a former head of Agence France-Presse, and two members of the Cano Foundation in Colombia.

Miss Gao remains in prison, serving a six-year sentence passed in 1993. Ironically, the charges against her are believed to stem from articles about government changes she wrote in the Hong Kong-based Mirror Monthly, a Chinese-language magazine that takes a pro-Beijing stance.

KOREA: *Kim's Son Is Indicted*

Continued from Page 1

Of those, 58 were arrested and 365 were being questioned. The others were released, the police said Thursday.

A militant student group that supports the Stalinist regime in the North handed over to the authorities four students it said witnessed the fatal beating of a man suspected of being a police informer, a police official said.

Despite the turmoil, the indictment of Kim Hyun Chul still failed to address a key opposition claim, that $17 million the son kept in secret bank accounts was left over from his father's campaign five years ago.

Shim Jae Ryun, the senior prosecutor, said investigators suspected that most of the money consisted of funds left over from a nationwide youth organization the president's son had run to help his father's election.

The opposition stepped up its demand that the president reveal the truth about his election funds.

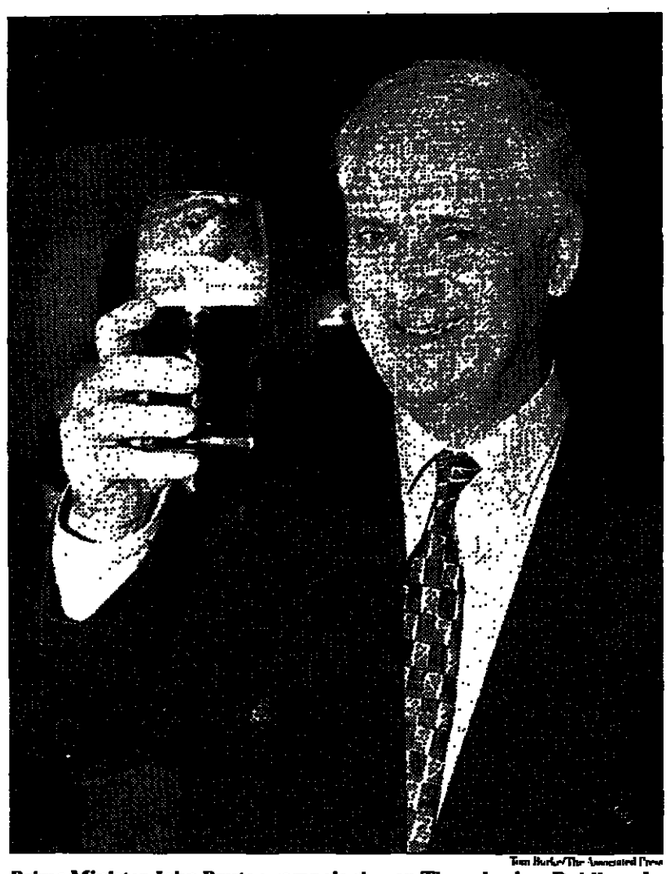
A spokesman for the National Congress for New Politics urged the prosecution to reveal the scale and source of Kim Young Sam's campaign funding. He reiterated the opposition's demand that Parliament investigate the election funding and call the president to a hearing.

The president's political difficulties began in January when Hanbo Steel Industry Co., the nation's No. 2 steelmaker, collapsed after piling up $6 billion in debt.

On Monday, 11 people, including the owner of the steel firm, a former cabinet minister and other associates of the president, were sentenced for embezzling company funds or exchanging bribes for improper bank loans. Thursday, all but one appealed their sentences.

The mayor of Pusan, South Korea's second largest city, and seven other politicians await trial on charges of taking bribes from Hanbo.

(AP, AFP, Reuters)



Tom Burke/The Associated Press

Prime Minister John Bruton campaigning on Thursday in a Dublin pub.

IRELAND: *Spring May Be Kingmaker*

Continued from Page 1

Mr. Spring, 46, is a tall, slender, soft-spoken former international rugby star and onetime Manhattan bartender. If he is part of another coalition, it would mean that he would, as deputy prime minister, be the country's No. 2 official for the fourth time.

He would have little prospect, because his own party is too small, of ever becoming prime minister, a job even his political enemies acknowledge he could handle well.

Campaigning recently here in Moyvan, surrounded by green pastures and dairy farms, Mr. Spring moved quickly in a white dress shirt, sleeves still buttoned at the cuffs, in the midday sun, a light breeze carrying the scents of animal fertilizer and newly cut grass, some of it just mowed by Mr. Spring helping people with their lawns.

In 1987, Mr. Spring, who has been in Parliament for 14 years, won a seat here in northern County Kerry by only four votes, as many voters felt he had been spending too much time in Dublin, London, Brussels and New York, where 22 years ago he was a bartender and met his wife, Kristi, an American.

Mr. Spring made brief leaflet-spreading visits in Moyvan to Brosan's Bar, Stack's Family Butcher, Molly's Food Store and Betty O'Connor's Food Store, where the proprietor said: "I've a big picture of his father, cut from a newspaper, folded away for 25 years. I will be voting for him."

Mr. Spring's father, Dan, headed the Labour Party for decades. So far, Dick seemed to be the unanimous choice of the people. Then, he arrived on the doorstep of Philip Kiley. First, Mr. Kiley asked him to help with funds for a workshop for handicapped children. Mr. Spring took a paper from him and said he would look into it. But Mr. Kiley was not finished. "Tell me 'yes or no,' just 'yes or no,' whether you are for a referendum on abortion," he said.

The abortion issue has been interjected by the Pro-Life Campaign demanding a third national referendum to prohibit abortion, now legal in Ireland only where a pregnancy threatens a woman's life, but still illegal in cases of rape and incest.

"I abhor abortion, personally," Mr. Spring said. But he added that the issue should be handled by parliamentary legislation, not by a referendum, because the two previous referendums left gaps in the law, susceptible to Supreme Court interpretation, and a third one was likely to do the same. Mr. Spring said not many people asked him about abortion, and this seemed confirmed as he walked on.

Cattle farmers are concerned about the economic effect of "mad cow" disease. Most people seem concerned about the economy, unemployment, particularly long-term unemployment. Of the 250,000 unemployed people in the country, about 130,000 have been out of work for more than a year, giving Ireland one of the highest rates in the European Union.

Still, many people say that in the matter of public spending, the government has been rather *flaithiuil* (fla-HOO-la), the Gaelic word for generous.

GENERAL: *Pentagon Draws a 'Line' in Its Pursuit of Sex Cases*

Continued from Page 1

qualify him from consideration.

"I understand this puts me in a very difficult position, but that's part of the job. This is a drawing of a line. This is a case where I think the rule of reason has to apply and that we must draw distinctions where there are some human errors that occur, weigh them against individuals' performance."

The secretary said he had asked General Ralston if he had had any other affairs while in the military, and the general assured Mr. Cohen that he had not.

Mr. Cohen's decision is likely to draw protests from critics who say he is failing to consistently apply the military's own rules against sexual misconduct.

In a widely followed case that ended late last month, the air force gave a general discharge to First Lieutenant Kelly Flinn, who had been scheduled to face court-martial on charges of adultery and disobeying orders.

On Tuesday, the commanding general of the scandal-plagued Aberdeen Proving Ground in Maryland acknowledged in a statement that he had decided to retire early after it had been disclosed that he had had a "relationship with a civilian" while he was separated from his wife five years ago.

Mr. Cohen and his aides tried to distinguish the case of the army officer, Major General John Longhouser, from General Ralston's by noting that General Longhouser had been involved with a woman who was an army civilian employee.

Mr. Cohen's more immediate concern may be a rising panic within the military's senior ranks that the Pentagon's effort to stamp out sexual misconduct was becoming a witchhunt. On Tuesday, Mr. Cohen said, "There may come a point at which this goes too far."

But it will just as surely bring accusations that Mr. Cohen has muddied the already murky waters of military justice by establishing a double standard, with one set of rules for the highest-ranking officers and another, far more puritanical set of rules for anyone below them in the chain of command.

"I think Americans will find this perplexing, that we're willing to forgive people at the pinnacle of the pyramid while we're not willing to forgive those lower down in the pyramid," said Eugene Fidell, president of the National Institute of Military Justice.

"These cases illustrate the slippery slope," he said. "The public's sense of justice is not satisfied when you see divergent outcomes from cases that in important respects seem to be similar."

ALGERIA: *Turnout Is Put at Over 56%*

Continued from Page 1

battle fatigues stationed at checkpoints throughout the city. Parking has been banned in central Algiers as protection against bombs that have killed more than 20 people here over the last week.

The election followed a boisterous campaign in which rallies by opposition parties drew tens of thousands of participants. More than 7,000 candidates from 39 parties are competing for the 380 seats, but the two front-runners are thought to be the pro-government National Democratic Rally and the Islamist-oriented Movement for a Peaceful Society. Several smaller parties have attracted wide support with calls for dialogue with the Islamic Salvation Front.

The prospect of a shift from one-party rule, however gradual, has stirred hopes among many Algerians that the election could prove to be a modest first step toward greater political openness in their country. Many also appeared to consider their participation in the election as a vote against extremist violence.

"Let's put it this way, this is a first step towards ending violence," said a bearded man who gave his name only as Mohammed. "Obviously we'll have a Parliament with all political currents expressed in it, and whether we like it or not, this Islamic current exists."

BRIEFLY

Rebels Won't Quit In Sierra Leone

FREETOWN, Sierra Leone — Sierra Leone coup leaders told Nigerian negotiators Thursday that they refused to jeopardize the new alliance between the army and rebels by restoring the ousted civilian government of Ahmad Tejan Kabbah.

"We are not prepared to hand over to former President Kabbah," said Brigadier Samuel Koromah, chief of Sierra Leone's military staff. "If President Kabbah takes over again, he will jeopardize the peace that we have been able to achieve with the RUF rebels."

Brigadier Koromah said he had been unable to reach any agreement with a delegation sent by the Nigerian military leader, General Sani Abacha, which arrived Wednesday. *(Reuters)*

Top Legal Official Quits in Palestine

GAZA — Khaled Qidra, 62, the attorney general of Palestine, resigned Thursday as the top legal official in Yasser Arafat's government, citing health reasons. "I asked President Arafat to relieve me of my duties because I am tired, and he accepted," Mr. Qidra said.

Mr. Qidra said his resignation was due to "health problems" and had "no connection whatsoever" to controversy surrounding a series of recent murders of Arab real-estate dealers accused of selling land in the West Bank and East Jerusalem to Jews. *(AFP)*

Brazilian Can Run

BRASILIA — Brazil's Senate has passed a constitutional amendment allowing elected officials to run for consecutive terms, opening the door for President Fernando Henrique Cardoso to seek re-election next year. *(AP)*

Banzer Makes Deal

LA PAZ — Hugo Banzer, 71, has assured himself of becoming Bolivia's democratically elected president in August after signing a pact with two other parties. Mr. Banzer, of the Nationalist Democratic Action Party, placed first in elections Sunday. *(Reuters)*

HONG KONG: *Territory's Business Elite Urge Washington Policy Makers: Don't Rock the Economic Boat*

Continued from Page 1

House or Congress will ultimately punish the Chinese if Hong Kong's autonomy and civil liberties are trampled.

"My message is simple," Deputy Treasury Secretary Lawrence Summers said in Hong Kong recently. "There is no firewall between economic freedom and freedom in its many other dimensions.

"The free flow of information, the ability of people to remain free, to enter into transactions, to speak out: these are all the essential elements of free markets and a strong financial system," he said.

To Americans doing business in Hong Kong, Mr. Summers is even more direct, cautioning them about the risks of becoming apologists for the Chinese or the new Beijing-appointed Hong Kong government.

"If the two systems are going to merge," he said, "it is in everyone's interest that China become more like Hong Kong than the other way around."

But it is far from clear that the message is winning converts in Hong Kong. And in Washington, what was once a clear policy to treat Hong Kong as a completely autonomous entity, even after Beijing takes control, has been muddied by the debate about relations with China.

In a nonbinding resolution passed overwhelmingly this spring, Congress threatened to put huge sanctions on Hong Kong exports if China were to crack down on civil rights.

Within days, that strategy was bitterly criticized by all sides in Hong Kong, from pro-Beijing executives to democracy advocates and Governor Chris Patten, who said it would "deprive Hong Kong of its livelihood at the moment it most needs support."

Since then, congressional leaders have backed away from that strategy. But Tuesday, Senator Jesse Helms, the North Carolina Republican who heads the Foreign Relations Committee, opened a new front: He introduced a resolution to deny China "most favored nation" trading status, an annual exercise that this year could turn into a tough fight. He linked the matter to China's handling of the handover.

Mr. Helms declared that it was foolish to treat Hong Kong as a separate entity if the Chinese will not, and argued that China has already reneged on promises to keep Hong Kong's political freedoms.

Treasury Secretary Robert Rubin was expected to respond Thursday by telling American executives who have pressed for permanent trade status for China that revoking the trade status would "harm Hong Kong in the name of helping it."

As a matter of both law and official policy, Washington's stance toward Hong Kong after the transition is to treat it as a separate entity from China, building on Beijing's commitment to the doctrine of "one country, two systems."

But carrying out that policy creates anomalies. Hong Kong will continue to have a separate textile quota from China's, even though Chinese manufacturers have cheated on those quotas for years by placing Hong Kong labels in Chinese-made goods.

The Commerce Department will continue to keep separate trade statistics for the territory, rather than lump Hong Kong's trade with China's.

Hong Kong will continue to have its own vote at the World Trade Organization in Geneva, infuriating Chinese officials, who say it is an outrage that the territory belongs to the organization while China is in a tense negotiation to enter. Nonetheless, Hong Kong officials insist that they, not Beijing, will decide how to vote within the organization.

Politically, the Clinton administration's strategy before the transition is to repeat Mr. Summers's argument that China cannot reap the financial benefits of a booming Hong Kong unless the city remains a place of open dissent and corruption-free courts.

"We are simply trying to make the point that if you want to have a solid stock market that people trust, you have to have newspapers that are free to write about the Dalai Lama, or the state of the independence movement in Taiwan," a senior Western diplomat in Hong Kong argued recently. "These are all subjects that deeply affect the atmosphere for investors."

So far, there are reasons to question whether the message has got through. In interviews in Hong Kong, many of the city's tycoons and market players dismissed that argument as overblown, saying that only Americans believe that free markets require American-style liberties.

The vast lobbying campaign that the city's rich and powerful have waged in Washington was prompted by the fear that Congress will feel compelled to do something, egged on by prominent leaders of the Hong Kong opposition like Mr. Lee.

"You want to know what would be a good American policy toward Hong Kong?" asked Ronnie Chan, one of the most outspoken of the American-educated members of the territory's elite leading the lobbying campaign. "This may sound simplistic, but try it: Leave us alone."

هكذا من الأصل

line out from repairing tires in a shop in Moscow.

...: Spring May Be Kingmaker

BRIEFLY

Rebels Won't Quit In Sierra Leone

Top Legal Official Quits in Palestine

Brazilian Can Run

Banzer Makes Deal

Herald INTERNATIONAL Tribune

BUSINESS/FINANCE

هكذا من الأصل

A New Egg On the Face Of Big Mac

Burger-Sale Fiasco Was Only a Symptom

By Barnaby J. Feder
New York Times Service

CHICAGO — There is no such thing as a quiet, dignified stumble for America's best-known corporate giants. International Business Machines Corp. was pilloried as the computer market moved beyond the mainframes that powered it to greatness. General Motors Corp. was humbled when the full-sized cars that made it the world's largest auto company became also-rans in a sea of imports.

These days, it is McDonald's Corp. that is being scrutinized as it loses ground to rivals whose products consumers prefer. The latest embarrassment: its retreat from a promotional campaign for 55-cent hamburgers that failed to lift sales.

The setback is not expected to lead to any major reorganization at McDonald's, which by many measures is still enjoying a degree of success that other companies can only aspire to.

Sales and earnings hit record levels again last year, as they have every year since the company was founded in 1955, and the McDonald's brand passed Coca-Cola to become the most powerful in the world, according to Interbrand Group, a consulting firm with offices in New York and London. McDonald's expects record sales again this year.

But those trends reflect developments overseas, where McDonald's is expanding rapidly. In the United States, expansion is slowing. Sales at McDonald's stores in America that had been open for more than a year sagged from the middle of 1995 until the end of last year, bounced up in the first four months of this year, then tumbled again last month.

Investors and franchisees have become increasingly restive as the company uncharacteristically lurched into and out of various product and marketing programs in a quest for a way to grow more quickly without seriously harming profit.

The increasing fear is that the company may be facing a problem that marketing cannot overcome: that too many fast-food fans think its burgers just do not taste as good as the food sold by competitors, especially second-ranked Burger King and third-ranked Wendy's.

Internal McDonald's documents, research by rivals and independent surveys have all contributed to the perception that the burgers — from plain Quarter Pounders to the most elaborate Big Macs and Arch Deluxes — are not keeping up with the competition.

How bad has it become? The wildly popular Happy Meals promotion in April, when McDonald's gave away Beanie Babies dolls with children's burgers, was marred by reports that customers in many areas were dumping the food and keeping the stuffed toy.

During the company's annual meeting at headquarters in Oak Brook, Illinois, last month, Randolph Morse, a shareholder from Texas, told directors and top executives, "My three sons now say they want to go anywhere but McDonald's."

INTERNATIONAL MANAGER

As for the food, Jack Greenberg, who took over domestic operations last autumn after serving as chief financial officer, said Wednesday that McDonald's was working on improving the taste of its products but that problems behind the counter had been overblown by the media, competitors and a small number of angry franchisees.

Analysts place some of the blame for the problems at McDonald's on marketing blunders dating back several years, including a dispute with Walt Disney Co. that allowed Burger King, a unit of Grand Metropolitan PLC, to grab rights to promotions based on such film hits as "Lion King" and "Toy Story."

A 10-year alliance with Disney that started this year rectified that lapse, but some critics say the sheer size of McDonald's and its reliance on home-grown management have made it so unwieldy and insular that more mistakes are likely.

Meanwhile, the company's high profile has made its every attempt to get back on track a public event and each setback a widely reported — and sometimes exaggerated — humiliation.

That was the case Tuesday when McDonald's conceded that a six-week-old discount program based on 55-cent burgers had confused consumers, cost franchisees money and done little to increase lunch and dinner traffic.

"Generally, McDonald's is very good at making complicated things very simple," said Bob Hilarides, a partner at the Evanston, Illinois, office of Cannondale Associates, a sales and marketing consulting company. "This is one where they missed the mark and made a simple thing complicated."

But the greatest challenge for McDonald's is in regaining customer favor for its burgers' taste.

Flavor is a complicated, subjective matter that cannot be addressed as easily as, say, speed of service, so the company's options are limited.

"With really smart marketing," said Jeffrey Omohundro of Wheat First Butcher Singer, "McDonald's might be able to hold their own with the products they've got. But in order to gain anything, they need new products."

Where Have You Gone Ray Kroc?

Advice From the Kitchen

People in the restaurant business offer their ideas about what McDonald's needs to do to restore its luster.

ALLEN BERNSTEIN
Chief executive of Morton's and former executive at Wendy's and Hardee's:
Go back to talking about the quality of french fries and the hamburger. They should emphasize what they have.

WALTER LE ROY
Owner of Tavern on the Green:
All the food tastes the same, whether it's a Big Mac, a fish fillet or Chicken McNugget. In making things like the milk shake lower in fat they lost some of the taste.

CLARK WOLF
New York City restaurant consultant:
They are trying to do too many things. The point is the McDonald's hamburger. They have to go with their core product.

Juan Velasco/NYT

French Investors See Room for Hope

Shares Rises 2.1% on Signs That Socialists Support the Euro

Compiled by Our Staff From Dispatches

PARIS — French stocks surged Thursday amid optimism that the new Socialist-led government was committed to the single European currency.

Prime Minister Lionel Jospin named pro-European officials as key ministers and relegated Communists to minor posts Wednesday, signaling his government's plans to press ahead with the new currency, the euro.

The composition of the cabinet relieved concerns that Paris might pursue costly polices to cut unemployment and bolster the economy.

The benchmark CAC 40 Index rose 55.48 points, or 2.1 percent, to 2,690.85.

"None of the left-wing dinosaurs are in the cabinet, which is very good news for the credibility of the government," said Jacques-Antoine Bretteil, a fund manager with International Capital Gestion in Paris. "Investors feel this government wants the euro and that it will happen."

But analysts said the new cabinet was unlikely to adhere rigidly to cutting the budget deficit for 1997 to 3 percent of gross domestic product, as required by the Maastricht treaty.

"The talk of strict interpretation of the Maastricht treaty is a thing of the past," one Paris-based analyst said.

The new government will face an early choice on economic policy after the announcement by the carmaking division of PSA Peugeot Citroen SA that it planned to cut 2,816 jobs, or around 5 percent of its work force.

Industry analysts said the Socialists would probably accept some restructuring of France's fragmented and high-cost car industry but that they would still be likely to delay the process and add to the cost.

Meanwhile, a leading Socialist called for shelving the privatization of France Telecom. The party secretary, Francois Hollande, said the national telecommunications company, designated for sale in a public offering by the previous government, should not jeopardize its mission as a public service.

"It fulfills a public-service requirement, and it also makes a profit," he said on France Inter radio.

Mr. Hollande did say France Telecom would have to adapt to its competitive environment. "We are in a competitive world," he said. "We know that, and the company has to be adapted."

The new government has not yet decided whether to proceed with the privatization.

But the Socialists campaigned on a theme that was generally hostile to austerity plans, and analysts said the new government's key task would be to find the money to pay for its promises to cut unemployment.

There is little evidence that the French economy is rebounding, as gross domestic product grew only 0.2 percent in the first quarter, the same rate as in the previous quarter, the national statistics institute Insee said Thursday.

"The figures are not as good as we expected," said Emmanuel Ferry of Credit Commercial de France. "They confirm that the internal motor has not started."

But some economists saw hope that the slowdown was ending.

"While consumer spending was disappointing in the first quarter," an analyst at ABN-AMRO Hoare Govett, Patrick Lebourdais, said, "April and May showed real improvement, and we expect the trend to be confirmed in coming months thanks to a weak automobile market, which continues to benefit retailers, and a probable rise in household spending power." *(Bloomberg, AFP, Reuters, Market News)*

Italian Bank Unions Agree to Job Cuts

Compiled by Our Staff From Dispatches

MILAN — Unions representing Italy's 330,000 bank employees reached a preliminary agreement with employers Thursday that would remove a job-for-life clause from workers' contracts and allow banks to cut jobs.

The accord is the latest evidence that European unions are accepting cuts and changes in decades-old labor practices to cope with international competition. The Germany chemical workers union I.G. Chemie reached an agreement Wednesday allowing employers in financial difficulty to cut pay.

"This is an important test to try out a new way of dealing with redundancies," Labor Minister Tiziano Treu said. "If it works well, it could be tried with other sectors as well."

Under the agreement, the two sides would create and finance a national fund to help laid-off workers obtain training and find new jobs. The two sides would also strive to bring total labor costs in the banking industry into line with those in other European markets by 2001.

The accord could lead to as many as 30,000 job cuts in the coming years. Some banks are already planning large staff cuts, including Banca di Roma SpA, which has been hit by strikes in recent days because of its plan to shed 4,260 jobs.

Banks that make such cuts would have to contribute more to the "solidarity fund." Making banks pay for cuts would be a radical departure from current labor practice in which the government pays — as much as 80 percent of laid-off workers' salaries for about two years.

Banks and unions are continuing to hammer out details of the accord. They have 60 days to reach a final agreement.

"The agreement contains a timetable, and not just good intentions," said Roberto Pinza, undersecretary at the Treasury Ministry. "It's important to close the gap between Italian labor costs and those of other European countries."

In its annual report, the Italian central bank said, "Italian banks are marked by the highest staff costs in relation to margins on services." The report said that in 1993-95, that ratio was 42 percent in Italy, 38 percent in Germany, 37 percent in France and Spain, 35 percent in Britain and 27 percent in the United States.

The central bank also has calculated that Italian banks have some of the highest unit staff costs in Europe. It estimated such costs at 111.4 million lire ($65,600) in Italy in 1995, compared with 112.9 million lire in France, 94.6 million lire in Germany, 86.0 million in Spain and 71.1 million in Britain.

The Italian Banking Association estimates that banks need to trim their labor force by 10 percent in the next few years to become more competitive and profitable.

Under the current agreement between banks and unions, which expires this year, banks can fire only workers who steal or violate ethical rules, essentially giving bank employees a job for life. The contract also makes it difficult for banks to hire managers from outside the bank.

"The new contract also does away with automatic promotions and wage increases," Mr. Treu said.

Neither Mr. Treu nor Mr. Pinza, the Treasury undersecretary, would answer questions about the number of staff cuts expected. *(Bloomberg, AFP)*

On NYSE, '1½' to Be $1.50

The Associated Press

NEW YORK — The New York Stock Exchange voted Thursday to begin quoting stock prices in decimals instead of fractions, a move hailed by the U.S. Securities and Exchange Commission as a victory for investors.

The exchange said it planned to begin trading in decimals "as soon as the essential systems are in place in the securities industry." The Big Board previously opposed such a change as unnecessary. As an interim step, the exchange said it would begin quoting stocks this month in increments of sixteenths of a dollar instead of the current system of eighths.

Arthur Levitt Jr., chairman of the commission, called the action "a bold and welcome step." Other analysts said the move would save investors money on trading costs.

Germany's Internet Barriers Face a Court Test

By Edmund L. Andrews
New York Times Service

FRANKFURT — With her Mohawk haircut and her activism in the successor organization to East Germany's Communist Party, Angela Marquardt has never worried about provoking controversy.

But on Friday, the university student will face a criminal charge in Berlin that she once probably assumed would never be brought again in Germany after the fall of the Berlin Wall. The charge: maintaining an Internet "home page" that provided an electronic link to a leftist magazine called Radikal.

German authorities, alarmed by articles that offered tips on making bombs and derailing trains, say she violated government orders barring access to Radikal. Ms. Marquardt, 25, says she did nothing wrong.

Commercial on-line services and Internet access providers here are up in arms about efforts by prosecutors and political leaders to govern the seemingly ungovernable reaches of cyberspace. Their efforts include blocking children's access to material that the state says glorifies violence, promotes racial hatred or disrupts morals.

Violent computer games such as Doom are punishable under the law, as are World Wide Web sites that offer Nazi swastikas and other celebrations of Hitler's Third Reich.

Last month, prosecutors in Munich indicted the head of CompuServe Inc.'s German subsidiary on charges of aiding in the distribution of pornography and violent computer games. CompuServe had no hand in producing or promoting the material, but prosecutors charge that German customers could use its computer network to retrieve it from servers in the United States and elsewhere.

Now, scores of other industry executives are warning that a proposed German law could put them in even greater legal danger and force them to move their operations to other countries.

"Would you take a job if you knew that tomorrow morning you might be arrested by the police?" asked Hermann Neus, a lobbyist for International Business Machines Corp. in Germany who is leading efforts by the American Chamber of Commerce to modify the proposed law.

"Industry has the liberty to move to Ireland, Denmark and Holland," Mr. Neus said. "If Germans are not up to speed, it makes no difference to the customers."

Legal specialists say the situation here is just the beginning of a broader showdown match between national governments and the borderless Internet.

"The Internet created a universal jurisdiction, so that once you are on the Internet you are subject to the laws of every country in the world," said Chris Kuner, an American attorney in Frankfurt who closely follows German cyberspace issues. "The Internet gives rise to jurisdictional problems that never happened before."

Interstate gambling, for example, is illegal in the United States but is accessible from "offshore" computers via the Internet. Illegally copied computer software, protected by American copyrights, can be downloaded anywhere in the world from a Web site in Indonesia.

German officials now are threatening to file charges against more than a dozen Internet access providers because they failed to block access to a Dutch Internet site called "XS4ALL." The Dutch server carries home pages for abut 6,000 commercial customers.

After officials in Bonn pressured Internet access providers to block out "XS4ALL" last month, defenders of the site simply copied the offending material onto more than 50 "mirror" locations.

Germany's biggest academic Internet provider imposed a blockade for 10 days, then gave up and declared a blockade impossible to enforce. German prosecutors have not yet responded to that, but they decided to proceed with their charges against Ms. Marquardt. In the next few weeks, the government hopes to push through a law intended to make it more clear who is legally liable when forbidden material becomes available over the Internet.

CURRENCY & INTEREST RATES

Cross Rates

June 5

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.945	3.172	1.1252	0.3336	0.1145*	—	5.4535*	1.3463	1.6827*	1.4135	1.3325*
Brussels	35.7825	58.695	20.6375	6.1195	2.0894*	18.34	—	24.865	0.3085	25.94	24.48*
Frankfurt	1.7275	2.8288	—	0.2965	0.1010*	0.8887	4.8466*	1.1972	1.4851*	1.2554	1.184*
London (a)	1.6380	—	2.8197	9.5123	2,778.83	3.1786	58.184	2.3403	188.4913	2.2436	238.177
Madrid	146.809	238.868	84.43	25.047	8.597*	75.077	4.0945	101.079	126.203*	106.065	—
Milan	1,697.85	2,746.85	982.38	291.31	—	873.58	47.468	1,178.85	14.797	1,220.85	11.649
New York (b)	—	1.6345a	1.729	5.8285	1,701.00	1.9451	35.69	1.4455	115.685	1.3772	146.12
Paris	5.8354	9.505	3.3729	—	0.3433*	2.9975	0.1635	4.0356	5.0092*	4.2347	3.974*
Tokyo	116.29	189.57	67.34	19.96	0.682	59.87	3.266	80.68	—	84.49	0.7982
Toronto	1.3771	2.2598	0.7982	0.2361	0.081*	0.7077	0.3862*	0.9523	1.1907*	—	0.942*
Zurich	1.425	2.3634	0.8352	0.2476	0.085*	0.7423	4.0471*	—	1.2491*	1.0407	0.9807*
1 ECU	1.1346	0.6859	1.961	6.6143	1,927.83	2.2067	40.4622	1.639	131.256	1.5718	165.481
1 SDR	1.3876	0.8478	2.3912	8.0859	N.Q.	2.6865	49.4221	1.9821	161.422	2.3912	203.343

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9996	Greek drac.	274.36	Mex. peso	7.915	S. Afr. rand	4.481
Australian $	1.3144	Hong Kong $	7.7427	N. Zealand $	1.4573	S. Kor. won	890.50
Austrian sch.	12.165	Hung. forint	184.70	Norw. krone	7.1655	Swed. krona	7.7486
Brazil real	1.0716	Indian rupee	35.78	Phil. peso	26.36	Taiwan $	27.89
Chinese yuan	8.3215	Indo. rupiah	2428.00	Polish zloty	3.23	Thai baht	24.33
Czech koruna	32.90	Irish £	0.6737	Port. escudo	174.71	Turkish lira	142170.
Danish krone	6.581	Israeli shek.	3.4078	Russ ruble	5767.50	UAE dirham	3.6725
Egypt. pound	3.3897	Kuwaiti dinar	0.3004	Saudi riyal	3.7505	Venez. boliv.	485.00
Fin. markka	5.1882	Malay. ring.	2.5142	Sing. $	1.4278		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6282	1.6269	1.6259	Japanese yen	115.15	114.60	114.12
Canadian dollar	1.3758	1.3704	1.3673	Swiss franc	1.4393	1.4336	1.4287
Deutsche mark	1.7253	1.7212	1.7176				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milano); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

June 5

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 1/16 - 3 3/16	7/8 - 1 1/8	6 3/8 - 6 1/2	3 5/16 - 3 7/16	1/2 - 5/8	4 1/16 - 4 3/16
3-month	5 11/16 - 5 13/16	3 1/8 - 3 1/4	1 1/4 - 1 3/8	6 9/16 - 6 11/16	3 5/16 - 3 7/16	1/2 - 5/8	4 1/8 - 4 1/4
6-month	5 13/16 - 5 15/16	3 1/8 - 3 1/4	1 3/8 - 1 1/2	6 3/4 - 6 7/8	3 3/8 - 3 1/2	5/8 - 3/4	4 1/4 - 4 3/8
1-year	6 1/16 - 6 3/16	3 1/4 - 3 3/8	1 3/8 - 1 1/2	6 7/8 - 7 1/8	3 7/16 - 3 9/16	3/4 - 7/8	4 7/16 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	5 1/2
90-day CDs dealers	5.75	5.75
180-day CP dealers	5.68	5.68
3 month Treasury bill	4.97	4.96
1-year Treasury bill	5.44	5.44
2-year Treasury bill	6.17	6.18
5-year Treasury note	6.47	6.47
7-year Treasury note	6.53	6.52
10-year Treasury note	6.61	6.61
30-year Treasury bond	6.88	6.87
Merrill Lynch 30-day RA	5.02	5.02
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.44
1-month interbank	0.54	0.54
3-month interbank	0.56	0.56
6-month interbank	0.64	0.65
10-year Govt bond	2.75	2.76
Germany		
Lombard rate	4.50	4.50
Call money	3.08	3.05
1-month interbank	3.15	3.15
3-month interbank	3.18	3.18
6-month interbank	3.22	3.22
10-year Bond	5.84	5.86

Britain		
Bank base rate	6 1/4	6 1/4
Call money	5 5/8	5 1/2
1-month interbank	6 1/2	6 7/16
3-month interbank	6 5/8	6 9/16
6-month interbank	6 3/4	6 3/4
10-year Gilt	7.12	7.15
France		
Intervention rate	3.10	3.10
Call money	3 5/16	3 5/16
1-month interbank	3 3/8	3 1/4
3-month interbank	3 1/4	3 3/8
6-month interbank	3 7/16	3 7/16
10-year OAT	5.74	5.76

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	341.75	Unch.
London	340.80	342.15	+0.40
New York	343.50	345.50	+2.10

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

Martina Hingis' Choice

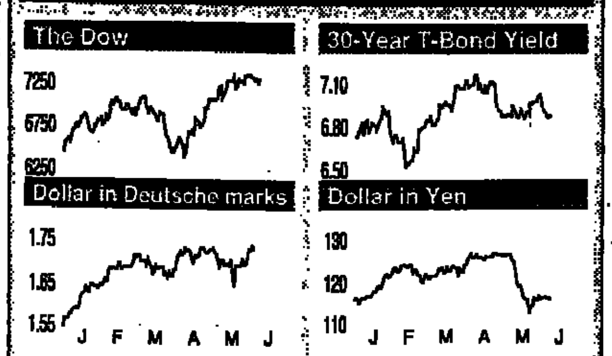
Constellation
OMEGA — Swiss made since 1848.

Omega, my choice Martina Hingis

Ω OMEGA

The sign of excellence

Investor's America



Exchange	Index	Thursday @3:30PM	Prev. Close	% Change
NYSE	The Dow	7316.25	7269.66	+0.64
NYSE	S&P 500	845.82	840.11	+0.68
NYSE	S&P 100	825.06	820.38	+0.57
NYSE	Composite	442.73	440.19	+0.58
U.S.	Nasdaq Composite	1390.45	1379.64	+0.78
AMEX	Market Value	610.77	607.68	+0.51
Toronto	TSE Index	6460.18	6429.58	+0.48
São Paulo	Bovespa	11057.55	11023.28	+0.31
Mexico City	Bolsa	4113.27	4117.79	-0.11
Buenos Aires	Merval	789.56	788.98	+0.07
Santiago	IPSA General	5684.20	5723.81	-0.68
Caracas	Capital General	7150.19	7150.19	Unch.

Source: Bloomberg, Reuters — International Herald Tribune

Is Microsoft's Modesty False?

By Lawrence M. Fisher
New York Times Service

NEW YORK — At more than $120, are Microsoft's shares too expensive?

Every quarter, in their post-earnings conference call with analysts, Mike Brown, Microsoft Corp.'s chief financial officer, and Greg Maffei, the treasurer, sing a medley of cautions: Growth will slow; the multiple is too high; comparisons will be tough.

But almost nobody listens. Of 24 analysts polled by First Call this quarter, only three rate Microsoft shares less than a buy.

Last week, Bill Gates, Microsoft's chairman and chief executive, added his voice to the chorus. "We always say growth will slow," he said in a speech in Silicon Valley.

"Some of the analysts don't believe us," he continued, "but the day will come when we are right and they are wrong."

After those remarks, Microsoft shares hit a new high of $129.0625, then dropped after Intel Corp., the leading maker of personal-computer chips, said that its second-quarter earnings would not meet estimates.

Microsoft was quoted at $121.25 in late trading Thursday, up $2.0625. The price equals a remarkable 46 times the company's estimated earnings for its current year of $2.63 a share, giving the company a market capitalization of $144.9 billion.

By comparison, Intel trades at about 17 times its estimated current-year earnings and has a market capitalization of $116.7 billion, and International Business Machines Corp. trades at 13.5 times earnings and is capitalized at $82.8 billion.

Perhaps the main reason that Microsoft shares remain so high is that every quarter, management's warnings notwithstanding, the company blows past analysts' estimates.

In its second quarter, for example, which ended March 30, Microsoft surprised Wall Street with an 80 percent rise in earnings and a 45 percent increase in revenue. Analysts had expected earnings of 64 cents a share; Microsoft posted 79 cents.

"I know Greg Maffei and Gates himself think the stock is overpriced, but what do they expect?" asked Richard Sherlund, an analyst with Goldman, Sachs & Co.

"There's a reluctance to be too cute and get off the stock now and maybe not be able to get back on when the numbers come in above estimates again," he said.

A perennial Microsoft bull, Mr. Sherlund retains a buy rating on the stock but says investors could be in for an uncomfortable period. Unless Microsoft ships Memphis — the code name for the successor to its Windows 95 operating system — in time to help its profit in its next financial year, which he said now appeared unlikely, earnings growth may slow next year.

Technology Stocks Lead Market Higher

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose sharply Thursday as technology shares surged and new signs emerged that the economic pace might be easing enough to avert an inflationary spurt.

In late trading, the Dow Jones industrial average was up 62.53 points at 7,333.19, as advancing issues led decliners by a 3-to-2 ratio on the New York Stock Exchange.

Part of the Dow's advance was attributable to Dow Jones & Co.'s decision to eventually let investors buy and sell options and futures tied to the average, said Greg Nie, a stock market analyst at Everen Securities Inc.

The Standard & Poor's 500-stock index gained 5.64 points, to 845.75, while the technology-heavy Nasdaq composite index rose 10.68 points, to 1,390.35.

Microsoft, Intel and International Business Machines paced the advance on renewed optimism that key companies in the computer industry will report strong second-quarter profits.

Gateway 2000 spurred the rally after its chief financial officer said the maker of personal computers would make no advance announcement about its earnings. Speculation Wednesday that it would join Intel and Seagate Technology Inc. in warning about weak profits had driven technology issues down.

"There's kind of a sigh of relief," said Mace Blicksilver, head of U.S. equities trading at Credit Lyonnais Securities Inc. The Gateway announcement "is helping the whole tech sector."

Some analysts said stocks, particularly computer-related issues, faced a bumpy ride as profits came under pressure.

"The question is: Are we seeing the tip of the iceberg of slower growth for these companies or not?" said Robert Dickey, a stock market analyst at Dain Bosworth.

Rising interest rates also will be a problem for the market, he said, although there had been little evidence yet of the effect.

As traders awaited unemployment data for May, due out Friday, they were encouraged by a report

3 P.M. SNAPSHOT

showing that the number of American workers filing first-time claims for jobless benefits unexpectedly shot up by 19,000 last week.

Such an increase in joblessness would indicate a slowing economy, removing inflationary pressure and diminishing the likelihood the Federal Reserve Board will raise interest rates when it next meets in July.

In an indication that strong consumer confidence had not translated into an inflationary surge in retail demand, several of the biggest U.S. retailers reported lower-than-expected sales for May.

Bonds held steady, with the benchmark 30-year Treasury bond unchanged at 96 25/32, leaving its yield at 6.88 percent.

Tobacco stocks rose on news that critics of the industry were near a compromise on the issue of shielding tobacco companies from punitive damages in lawsuits. The industry and its opponents are negotiating to resolve lawsuits over smoking-related illness.

C/Net rose sharply as Intel said it would raise its stake in the provider of television programming and Internet material to 6 percent from 4.5 percent by purchasing 201,253 shares for $5.3 million, or $26.24 each, given regulatory approval.

Integral Systems gained after the computer software and hardware company said it would split its stock 3-for-1 by July 1.

U.S. Office Products rose after the office-products supplier said profit from operations in its fourth quarter exceeded analysts' forecasts.

Factory Card Outlet plunged after the greeting card and party-supply retailer said that because of lower-than-expected sales, its fourth-quarter earnings would be sharply lower than forecast.

(AP, Bloomberg)

Very briefly:

Dow Jones Plans to Offer Options

NEW YORK (Bloomberg) — Dow Jones & Co. said investors soon would be able to trade options, futures contracts and a fund based on the most widely watched market gauge for U.S. stocks, the Dow Jones industrial average.

Buying and selling the contracts will allow traders to speculate on the direction of the 30-stock Dow industrials and to protect the value of investments from market swings.

Dow Jones said it had licensed the DJIA for trading with an exchange-based fund on the American Stock Exchange, for futures contract trading on the Chicago Board of Trade and for options trading on the Chicago Board Options Exchange.

Separately, Cramer, Berkowitz & Co. has sold almost all of its 1.1-million share stake in Dow Jones, Jeffrey Berkowitz said. The firm's James Cramer said shares of Dow Jones, which were trading at $41 late Thursday, up $1.375, would soon drop to $30, Fortune magazine reported.

• **Pharmacia & Upjohn Inc.** said its Consumer Healthcare unit had acquired the brands Nasalcrom, PediaCare from the **Johnson & Johnson** unit McNeil Consumer Products, and the brand Micatin from Johnson & Johnson Consumer Products Inc. In return, Pharmacia & Upjohn is transferring its brand Motrin IB to McNeil and Mycitracin to Johnson & Johnson Consumer Products.

• **Fisher Scientific International Inc.** said it had received an unsolicited takeover proposal from a Bass family-affiliated investment fund. The maker of scientific instruments and supplies didn't disclose terms of the offer.

• **Eldorado Gold Corp.** said it had agreed to buy two gold mines and nine exploration properties in Ghana and South Africa from **Gencor Ltd.** for $193.6 million.

• **Sara Lee Corp.** said it had reached an agreement to merge its Aris Isotoner unit, which makes gloves and slippers, into a new joint venture with **Totes Inc.**, the umbrellas and other rain gear maker. Terms were not disclosed. *Bloomberg, AFX*

Telecom Investment Goes Global

The Associated Press

WASHINGTON — U.S. telecommunications companies would be open to greater investment by foreigners under tentative action taken by federal regulators.

The Federal Communications Commission took the first step late Wednesday to implement part of a historic telecommunications trade agreement that was reached by 68 countries in February.

The commission's plan, which could become final later this year, would remove a foreign-ownership restriction so that companies in countries that are part of the World Trade Organization agreement could take an unlimited stake in U.S. telecommunications companies.

The restriction generally limits foreign investors to owning no more than 25 percent of U.S. telecommunications companies.

Attorneys for the commission said the plan would no longer require investors in countries belonging to the World Trade Organization to meet a test of whether U.S. companies would have similar opportunities in the foreign carrier's country.

The accord offers huge opportunities for U.S. companies by dismantling barriers that have kept them out of countries where phone service is run by state-held monopolies.

Dollar Falls Against Yen on Japanese Rate Hint

Compiled by Our Staff From Dispatches

NEW YORK — The dollar held steady against major European currencies Thursday but fell against the yen as a top Japanese central banker hinted at an increase in interest rates.

Governor Yasuo Matsushita said the Bank of Japan could "preemptively act" to raise rates, depending on economic developments.

"People in Japan sold dollars after those comments," Vincent Amaru, a trader at Citibank, said. "Some people are starting to think it's just a matter of time before they raise rates — in June, July or August."

In late trading, the dollar fell to 115.655 yen from 116.265 yen Wednesday.

Japan's central bank has left its discount rate at a record low of 0.5 percent since September 1995 to try to pull the economy out of a five-year slowdown.

"The potential is there for a move down to the low 113 area over the next couple of days," said Randolph Donney, director of capital markets research at Pegasus Econometric Group.

The yen also was lifted by comments from a Finance Ministry official and a key member of the ruling Liberal Democratic Party suggesting that steps such as lower land taxes and an emergency spending package would be taken to bolster the economy.

"Obviously, there is concern in the market that the Japanese economy will accelerate and interest rates

FOREIGN EXCHANGE

will be moving up," said Richard Gilhooly, global market strategist at Paribas Capital Markets.

The dollar rose to 1.7292 Deutsche marks from 1.7288 DM as traders awaited employment data from Germany and the United States on Friday. But traders said the focus was on the increased likelihood of a weakening of the fiscal criteria for European monetary union.

"The market is focusing on EMU going ahead with broader participation and a weaker euro," said Marc Chandler, a trader at Deutsche Morgan Grenfell. "June will likely be characterized by a devaluation" in the foreign-exchange market of the currencies that participate in the euro, he said.

Against other currencies, the dollar was at 1.4461 Swiss francs, up from 1.4450 francs, and at 5.8320 French francs, up from 5.8306 francs. The pound rose to $1.6335 from $1.6332.

(AFP, Bloomberg, Reuters)

AMEX

Thursday's 3:45 P.M.
The top 300 most active shares.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3:30	Chg.
Indus	7291.55	7351.45	7267.94	7316.45	+46.79
Trans	2667.25	2691.95	2657.68	2683.12	+24.10
Util	221.05	221.77	220.56	221.00	-0.85
Comp	2271.66	2288.47	2265.03	2279.35	+14.12

Standard & Poors

	High	Low	Previous Close	Today 3 P.M.
Industrials	995.21	986.65	988.43	996.98
Transp.	617.79	612.54	612.72	617.41
Utilities	192.52	191.46	191.78	192.14
Finance	95.67	94.86	95.26	96.55
SP 500	842.07	838.82	840.11	847.85
SP 100	826.88	818.92	820.37	827.14

NYSE

	High	Low	3P.M.	Chg.
Composite	443.99	440.18	443.46	+3.28
Industrials	562.51	557.52	561.85	+4.22
Transp.	404.57	400.75	403.54	+2.28
Utility	273.54	272.48	272.94	+0.13
Finance	404.77	400.21	404.34	+4.13

Nasdaq

	High	Low	3P.M.	Chg.
Composite	1393.73	1384.30	1391.50	+11.83
Industrials	1140.44	1134.41	1139.13	+7.27
Banks	1496.52	1488.10	1495.15	+4.00
Insurance	1541.70	1533.35	1539.48	+3.79
Finance	1819.85	1810.39	1815.58	+4.32
Transp.	946.87	935.31	945.73	+9.64

AMEX

High	Low	3P.M.	Chg.
611.32	607.72	611.10	+3.37

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	102.18	102.34
10 Utilities	99.16	99.35
10 Industrials	105.19	105.34

Most Actives

NYSE

	Vol.	High	Low	3:45	Chg.
PepsiCo	91456	37⅝	36⅞	37	+1
Iomega	63750	21⅛	20	20⅞	[illegible]
US Airway	57987	35⅛	33⅝	34¾	+2
Cablmrs	46150	32	30⅜	32	[illegible]
PhilMors	41345	42⅝	41⅝	42½	+¾
K mart	35704	13½	13⅛	13⅜	-⅛
MicrnT	35696	41⅜	40⅛	41⅛	+1
AMD	35170	39⅞	36⅞	37½	-1¼
CUC Intl s	34597	22⅞	22⅛	22⅜	-⅛
McDnlds	34529	48⅝	47⅝	47⅞	-⅜
IBM s	33711	84⅝	82⅜	83⅝	[illegible]
FstData s	33650	39⅞	38⅛	38⅝	+⅝
Sears	32225	49	48⅛	49	[illegible]
ArchDan	32260	21⅛	19⅛	20⅜	+⅛
PP&L Res	31884	20⅜	19⅞	20	+⅛

Nasdaq

	Vol.	High	Low	3:45	Chg.
Intel	124422	145⅞	140	143⅝	+1
NextelCm	93788	16⅛	14⅜	16⅛	+1¾
Ascend	82726	49½	45⅝	46⅝	-1¾
Cisco	74254	65½	64⅛	64⅝	+½
BostChk	71919	15¾	14⅛	15⅛	+⅝
DellCpt s	67487	110	105⅜	108⅝	+3¾
3Com	52755	45⅝	44⅛	44⅞	+⅜
Oracle	51368	48⅛	47	47⅝	+⅛
SunMic s	44851	34⅞	33⅞	33⅞	+⅛
Amgen	42386	63⅝	60⅝	62⅝	+⅛
Microsft s	40702	121⅜	119⅝	120¾	+1⅞
Digex n	40013	13⅛	12	12⅞	+1¼
ParTch s	34575	19⅝	18	18⅜	-1⅛
CaseCm	33042	34⅛	31⅞	31⅞	-1⅛
Netscpe	29990	33½	31¾	32⅛	+¼

AMEX

	Vol.	High	Low	3:45	Chg.
TWA	18617	8⅝	7⅞	8⅛	+⅛
Metromda	14820	12⅞	12	12⅞	+⅞
SPDR	9908	85⅝	84¾	84⅞	+⅛
Harken	9668	4⅝	4½	4⅝	+⅛
Nabors	6763	24⅝	23⅞	24⅞	+⅝
DI Ind	6081	3⅝	3½	3⅝	+⅛
RoyalO g	5227	2½	2⅜	2½	+⅛
IvaxCp	5043	10¾	10⅛	10⅝	+⅝
ViacB	4702	30⅛	30	30	-⅛
ForstLb	4515	43⅛	42⅜	43	+1

Trading Activity

NYSE

	Noon	Prev.
Advanced	1432	1178
Declined	844	1365
Unchanged	893	818
Total issues	3169	3361
New Highs	136	173
New Lows	9	8

Nasdaq

	Noon	Prev.
Advanced	1908	2099
Declined	1347	1932
Unchanged	2195	1700
Total issues	5450	5731
New Highs	104	166
New Lows	43	59

AMEX

	Noon	Prev.
Advanced	243	281
Declined	180	272
Unchanged	173	183
Total issues	596	736
New Highs	26	34
New Lows	3	2

Market Sales

	Today 3:00	Prev. cons.
NYSE	352.58	577.77
Amex	17.66	27.71
Nasdaq	406.07	594.22

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Asia Tigers Fd	-	.01	6-25	7-3
Sabine Royalty Tr	-	.1241	6-16	6-30
STOCK SPLIT				
Blyth Indust 3 for 2 split.				
Orion Capital 2 for 1 split.				
STOCK				
BHA Holdings	-	10%	6-16	6-27
CA Short	-	8%	7-16	8-1
INCREASED				
Bull & Bear US Gv	Q	.19	6-16	6-30
Nabisco Holding	Q	.175	6-16	7-1
REDUCED				
Hancock	-	.30	6-20	6-30
INITIAL				
Orion Cap n	-	.16	6-16	7-1
REGULAR				
Allegheny Power	Q	.43	6-16	6-30
Amerada Hess	Q	.15	6-16	6-30
Bancroft Cv	Q	.25	6-16	6-30
Block Drug A	Q	.31	6-16	7-1
Breed Tech	Q	.07	6-16	7-15
Bull Bear	Q	.19	6-16	6-30
General Chem	Q	.05	6-18	7-3
Graphic Ind	Q	.0175	6-20	7-8
Hancock J Inv	-	.3975	6-20	6-30
Hancock Pat	M	.0583	6-13	6-30
Heritage US Gov	M	.087	6-13	6-19
Kranzco Realty	Q	.48	6-27	7-23
Mid-Ocean Ltd	Q	.75	6-20	7-10
Midland Co	Q	.175	6-20	7-8
NYMAGIC Inc	Q	.10	6-30	7-8
Oppenheimr	M	.074	6-13	6-27
Oppenh	M	.056	6-13	6-27
Panamerican Bev	Q	.0525	6-16	6-30
Pep Boys	Q	.06	7-14	7-28
Pilgrim A	M	.0695	6-9	6-19
Pf Inco Fd	M	.087	6-23	6-30
Pf Inco Mngmnt	M	.087	6-23	6-30
Pf Inco Opport	M	.073	6-23	6-30
Pilgrim Am Prime	M	.0695	6-9	6-19
Price,Rowe T.	M	.13	6-23	7-7
Salomon Inc	Q	.16	6-16	7-1
Spartech Corp	Q	.05	6-23	7-7
Starrett,LS	Q	.18	6-16	6-27
Tech/Op Sevcon	Q	.15	6-19	7-3
Wstn Gas	Q	.05	6-30	8-14
Zurn Indust	Q	.10	6-20	7-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

June 5, 1997

High Low Latest Chge Opint

Grains

CORN (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	275	269½	274¼	+3	110,712
Sep 97	260	255¾	259½	+3	33,208
Dec 97	258	252	257¾	+3	109,675
Mar 98	264¼	260½	264	+3	13,622
May 98	268	264½	268	+2½	1,474
Jul 98	272	268½	272	+3	3,410
Sep 98	259½	259	259½	+2½	1

Est. sales N.A. Wed's. sales 60,434
Wed's open int 275,465 off 830

SOYBEAN MEAL (CBOT)
100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Jul 97	277.50	271.00	276.20	+3.10	41,313
Aug 97	258.20	253.00	256.80	+1.50	18,006
Sep 97	242.00	238.50	241.50	+2.10	11,594
Oct 97	229.00	226.00	227.00	+0.20	11,089
Dec 97	222.50	219.50	220.40	+0.80	21,842
Jan 98	219.50	217.00	217.50	—0.50	2,585

Est. sales N.A. Wed's. sales 44,920
Wed's open int 109,820 off 3897

SOYBEAN OIL (CBOT)
60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Jul 97	23.62	23.26	23.47	+0.13	44,603
Aug 97	23.82	23.43	23.68	+0.18	16,194
Sep 97	23.95	23.70	23.87	+0.15	9,472
Oct 97	24.05	23.75	23.92	+0.12	9,745
Dec 97	24.30	24.00	24.16	+0.11	19,510
Jan 98	24.44	24.23	24.30	+0.08	1,372

Est. sales N.A. Wed's. sales 30,408
Wed's open int 101,366 off 672

SOYBEANS (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	842	821	836	+6	81,080
Aug 97	796½	776	790	+4	24,964
Sep 97	721½	711	717¾	+5	9,794
Nov 97	688½	680	683¾	+1¼	51,310
Jan 98	690½	684	686		7,015

Est. sales N.A. Wed's. sales 115,581
Wed's open int 177,592 off 7634

WHEAT (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	358	351	356	+2¼	45,486
Sep 97	365½	359	363¼	+1¾	16,633
Dec 97	377	370	375¾	+2½	16,521
Mar 98	379	374	378¾	+3¼	2,116

Est. sales N.A. Wed's. sales 19,305
Wed's open int 81,505 up 220

Livestock

CATTLE (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jun 97	64.25	63.75	63.77	—0.35	16,003
Aug 97	64.20	63.60	63.65	—0.47	46,906
Oct 97	67.62	67.10	67.12	—0.42	21,501
Dec 97	70.17	69.80	69.85	—0.27	10,813
Feb 98	71.05	70.82	70.85	—0.07	5,725
Apr 98	72.75	72.60	72.60	—0.10	2,249

Est. sales 12,584 Wed's. sales 14,195
Wed's open int 103,811 off 780

FEEDER CATTLE (CMER)
50,000 lbs. - cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	77.42	76.70	76.75	—0.55	10,494
Sep 97	77.35	76.75	76.77	—0.52	2,196
Oct 97	77.55	76.85	77.05	—0.35	3,529
Nov 97	78.90	78.35	78.37	—0.47	1,954
Jan 98			79.30	—0.20	607
Mar 98	79.05	78.80	78.80	—0.20	107

Est. sales 1,677 Wed's. sales 3,283
Wed's open int 18,979 off 100

HOGS-Lean (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jun 97	81.40	80.77	81.02	—0.20	7,923
Jul 97	82.70	81.35	81.80	—0.57	10,733
Aug 97	81.15	78.95	79.40	—1.22	8,593
Oct 97	73.40	71.15	71.57	—1.57	6,199
Dec 97	70.15	68.02	68.20	—1.82	3,461

Est. sales 11,928 Wed's. sales 12,676
Wed's open int 39,902 up 702

PORK BELLIES (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	89.25	87.25	87.25	—3.00	5,424
Aug 97	89.20	86.80	86.80	—3.00	1,919
Feb 98	79.20	76.15	76.15	—3.00	441

Est. sales 1,745 Wed's. sales 2,439
Wed's open int 7,883 off 61

Food

COCOA (NCSE)
10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Jul 97	1427	1408	1419	—1	21,455
Sep 97	1465	1440	1459	—2	19,819
Dec 97	1499	1485	1495	+3	19,789
Mar 98	1525	1515	1525	+4	21,389
May 98			1545	+8	8,570
Jul 98			1563	+9	575

Est. sales N.A. Wed's. sales 13,079
Wed's open int 93,680 off 1598

COFFEE C (NCSE)
37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	252.00	228.00	230.50	—21.05	11,199
Sep 97	224.50	208.75	209.40	—15.70	8,140
Dec 97	190.50	181.00	181.00	—9.90	4,884
Mar 98	173.50	167.00	167.50	—6.60	2,227
May 98	165.50	162.00	162.00	—9.00	511

Est. sales N.A. Wed's. sales 8,375
Wed's open int 27,252 off 285

SUGAR-WORLD 11 (NCSE)
112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	11.46	11.33	11.41	—0.10	79,884
Oct 97	11.25	11.15	11.21	—0.11	59,449
Mar 98	11.14	11.06	11.10	—0.11	29,953
May 98	11.04	11.00	11.00	—0.10	6,884

Est. sales N.A. Wed's. sales 33,066
Wed's open int 180,777 up 6376

ORANGE JUICE (NCTN)
15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	80.75	78.95	79.45	+0.20	15,781
Sep 97	83.00	81.40	81.65	+0.30	8,348
Nov 97	85.80	84.00	84.05	+0.05	3,788
Jan 98	87.70	86.55	86.55	+0.05	1,675

Est. sales N.A. Wed's. sales 1,955
Wed's open int 31,122 off 39

Metals

GOLD (NCMX)
100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jun 97	343.00	339.00	343.00	+2.10	765
Jul 97			344.20	+2.10	1
Aug 97	345.70	341.50	345.60	+2.00	66,337
Oct 97	348.10	344.50	348.10	+2.10	7,453
Dec 97	350.80	346.30	350.60	+2.10	26,196
Feb 98	353.10	350.00	353.10	+2.10	7,694
Apr 98	355.50	355.50	355.50	+2.10	3,845
Jun 98			358.10	+2.10	7,874
Aug 98			360.90	+2.20	752

Est. sales N.A. Wed's. sales 25,256
Wed's open int 161,987 up 11180

HI GRADE COPPER (NCMX)
25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jun 97	116.90	115.50	116.75	+1.15	2,818
Jul 97	117.20	115.50	117.00	+1.35	32,548
Aug 97	114.80	113.50	114.80	+0.95	2,506
Sep 97	113.80	112.40	113.80	+1.15	7,104
Oct 97			111.80	+1.15	1,126
Nov 97			110.50	+1.35	1,220
Dec 97	109.40	107.90	109.40	+1.25	5,809
Jan 98			107.50	+1.20	656
Feb 98			106.05	+1.15	541

Est. sales N.A. Wed's. sales 10,411
Wed's open int 58,752 off 798

SILVER (NCMX)
5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Jun 97	475.50	472.00	475.50	+7.20	2
Jul 97	482.00	468.50	477.00	+7.00	54,813
Sep 97	485.00	473.00	481.30	+7.10	9,367
Dec 97	491.00	480.00	487.70	+7.30	7,989
Jan 98			489.70	+7.40	17
Mar 98	494.40	487.00	494.40	+7.50	8,542
May 98	498.80	465.50	498.80	+8.00	2,743
Jul 98			503.30	+8.60	2,506

Est. sales N.A. Wed's. sales 15,052
Wed's open int 89,649 off 2266

PLATINUM (NMER)
50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jul 97	436.60	410.00	436.60	+25.00	13,752
Oct 97	410.60	392.00	410.60	+16.00	4,947
Jan 98	404.60	390.00	404.60	+14.00	1,264

Est. sales N.A. Wed's. sales 2,571
Wed's open int 19,985 up 59

LONDON METALS (LME)
Dollars per metric ton

		Close		Previous
Aluminum (High Grade)				
Spot	1576½	1577½	1569.00	1570.00
Forward	1599.00	1600.00	1593.00	1593½
Copper Cathodes (High Grade)				
Spot	2533.00	2536.00	2533½	2536½
Forward	2475.00	2476.00	2475½	2476.00
Lead				
Spot	621½	622½	612.00	613.00
Forward	635.00	636.00	626.00	627.00
Nickel				
Spot	7110.00	7115.00	7040.00	7045.00
Forward	7220.00	7225.00	7130.00	7140.00
Tin				
Spot	5605.00	5615.00	5555.00	5565.00
Forward	5640.00	5650.00	5610.00	5620.00
Zinc (Special High Grade)				
Spot	1346.00	1347.00	1319.00	1320.00
Forward	1369½	1370.00	1344.00	1345.00

High Low Close Chge Opint

Financial

US T. BILLS (CMER)
$1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Jun 97	94.94	94.92	94.93	—0.01	4,122
Sep 97	94.67	94.65	94.65		5,882
Dec 97			94.49	-0.01	847

Est. sales N.A. Wed's. sales 788
Wed's open int 1,004 off 9003

5 YR. TREASURY (CBOT)
$100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Jun 97	105-50	105-43	105-50		79,216
Sep 97	105-35	105-26	105-33	— 01	140,045
Dec 97			105-16		594

Est. sales N.A. Wed's. sales 55,782
Wed's open int 219,855 off 4652

10 YR. TREASURY (CBOT)
$100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Jun 97	107-28	107-22	107-28	+ 02	132,438
Sep 97	107-11	107-04	107-10		214,363
Dec 97	106-30	106-30	106-30	— 02	1,896

Est. sales N.A. Wed's. sales 106,307
Wed's open int 348,697 off 6290

US TREASURY BONDS (CBOT)
(8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Jun 97	110-15	110-05	110-13	— 01	171,622
Sep 97	110-03	109-24	109-31	— 02	309,471
Dec 97	109-20	109-16	109-20		25,908
Mar 98			109-10		2,040

Est. sales N.A. Wed's. sales 281,054
Wed's open int 510,701 off 19878

LIBOR 1-MONTH (CMER)
$3 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Jun 97	94.30	94.29	94.30		15,138
Jul 97	94.25	94.24	94.25	+0.01	12,345
Aug 97	94.19	94.18	94.19		6,078

Est. sales N.A. Wed's. sales 2,297
Wed's open int 36,947 up 272

LONG GILT (LIFFE)
£50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Jun 97	113-13	112-30	113-04	+0-01	58,647
Sep 97	113-25	113-07	113-13	+0-01	149,233
Dec 97	N.T.	N.T.	113-01	+0-01	207,880

Est. sales: 51,023. Prev. sales: 79,455
Prev. open int.: 207,880 off 12,820

GERMAN GOV. BUND (LIFFE)
DM250,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jun 97	101.47	101.35	101.42	—0.07	
Sep 97	100.68	100.28	100.51	+0.07	206,625
Dec 97	99.62	99.62	99.61	+0.17	0
					232,629

Est. sales: 205,935. Prev. sales: 345,724
Prev. open int.: 232,629 off 37,234

10-YEAR FRENCH GOV. BONDS (MATIF)
FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jun 97	129.54	129.06	129.26	+ 0.12	158,259
Sep 97	127.86	127.44	127.60	+ 0.10	71,993
Dec 97	96.92	96.92	97.02	+ 0.10	0

Est. sales: 220,466 . Open int.: 230,252 up 236.

ITALIAN GOVERNMENT BOND (LIFFE)
ITL 200 million - pts of 100 pct
Jun 30,371

	High	Low	Latest	Chge	Opint
Sep 97	130.85	130.28	130.52	+0.04	80,835
Dec 97	N.T.	N.T.	103.67	+0.09	111,356

Est. sales: 51,716. Prev. sales: 74,866
Prev. open int.: 111,356 up 4,887

EURODOLLARS (CMER)
$1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Jun 97	94.19	94.18	94.19		401,530
Jul 97	94.13	94.11	94.13		17,180
Aug 97	94.07	94.06	94.06		2,395
Sep 97	94.03	93.99	94.01		482,288
Dec 97	93.80	93.77	93.79		379,238
Mar 98	93.69	93.65	93.67	—0.01	270,947
Jun 98	93.56	93.53	93.55		233,735
Sep 98	93.47	93.44	93.46		183,481
Dec 98	93.36	93.32	93.34		127,301
Mar 99	93.35	93.31	93.33		101,782
Jun 99	93.31	93.27	93.29		81,561
Sep 99	93.28	93.24	93.26		68,089

Est. sales N.A. Wed's. sales 279,217
Wed's open int 2,735,079 off 11262

BRITISH POUND (CMER)
62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Jun 97	1.6340	1.6284	1.6332		36,012
Sep 97	1.6308	1.6250	1.6294		5,653
Dec 97			1.6252		113

Est. sales N.A. Wed's. sales 7,083
Wed's open int 41,778 off 47

CANADIAN DOLLAR (CMER)
100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Jun 97	.7280	.7268	.7270		54,288
Sep 97	.7326	.7315	.7315		12,767
Dec 97	.7359	.7356	.7358		1,666

Est. sales N.A. Wed's. sales 9,743
Wed's open int 69,630 off 457

GERMAN MARK (CMER)
125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Jun 97	.5802	.5782	.5786		75,048
Sep 97	.5840	.5818	.5824		23,179
Dec 97			.5859		459

Est. sales N.A. Wed's. sales 26,515
Wed's open int 98,888 up 4864

JAPANESE YEN (CMER)
12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Jun 97	.8674	.8605	.8662		73,146
Sep 97	.8790	.8725	.8775		9,599
Dec 97	.8890	.8880	.8890		884

Est. sales N.A. Wed's. sales 10,341
Wed's open int 83,638 off 471

SWISS FRANC (CMER)
125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Jun 97	.6949	.6910	.6924		37,881
Sep 97	.7024	.6986	.6998		6,464
Dec 97	.7076	.7072	.7072		550

Est. sales N.A. Wed's. sales 23,032
Wed's open int 44,953 off 929

MEXICAN PESO (CMER)
500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Jun 97	.12550	.12470	.12470		15,381
Sep 97	.12855	.11990	.11990		12,314
Dec 97	.11620	.11550	.11550		7,573

Est. sales N.A. Wed's. sales 7,184
Wed's open int 38,185 off 189

3-MONTH STERLING (LIFFE)
£500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jun 97	93.35	93.32	93.34	Unch.	108,028
Sep 97	93.18	93.13	93.17	+0.01	115,482
Dec 97	93.03	92.97	93.01	+0.01	99,694
Mar 98	92.92	92.85	92.89	+0.01	62,681
Jun 98	92.82	92.77	92.79	Unch.	46,400
Sep 98	92.76	92.70	92.72	—0.01	32,904
Dec 98	92.72	92.66	92.68	Unch.	26,615
Mar 99	92.68	92.63	92.65	Unch.	19,421

Est. sales: 60,417. Prev. sales: 55,126
Prev. open int.: 543,539 up 1,569

3-MONTH EUROMARK (LIFFE)
DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jun 97	96.82	96.81	96.82	Unch.	208,162
Jul 97	N.T.	N.T.	96.80	Unch.	1,497
Aug 97	96.78	96.78	96.78	+0.01	201
Sep 97	96.77	96.75	96.76	+0.01	219,753
Dec 97	96.66	96.64	96.65	Unch.	248,749
Mar 98	96.55	96.53	96.53	—0.01	222,328
Jun 98	96.38	96.34	96.36	Unch.	153,308
Sep 98	96.17	96.13	96.15	Unch.	132,161
Dec 98	95.91	95.88	95.89	Unch.	85,596

Est. sales: 118,225. Prev. sales: 177,066
Prev. open int.: 1,491,984 up 6,137

3-MONTH PIBOR (MATIF)
FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jun 97	96.57	96.51	96.54	+ 0.03	59,509
Sep 97	96.49	96.45	96.47	+ 0.02	62,112
Dec 97	96.47	96.44	96.45	+ 0.01	32,536
Mar 98	96.41	96.38	96.39	+ 0.01	26,987
Jun 98	96.29	96.26	96.28	+ 0.01	23,855
Sep 98	96.13	96.10	96.12	+ 0.01	21,712

Est. sales: 66,711. Open int.: 276,088 up 1,502.

3-MONTH EUROLIRA (LIFFE)
ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jun 97	93.20	93.15	93.17	—0.02	84,087
Sep 97	93.43	93.38	93.38	—0.04	107,958
Dec 97	93.65	93.59	93.61	—0.03	58,999
Mar 98	93.80	93.74	93.75	—0.03	37,027
Jun 98	93.89	93.82	93.83	—0.04	24,673
Sep 98	93.92	93.85	93.86	—0.03	8,952

Est. sales: 56,040. Prev. sales: 50,779
Prev. open int.: 331,511 off 648

High Low Latest Chge Opint

Industrials

COTTON 2 (NCTN)
50,000 lbs.- cents per lb

	High	Low	Latest	Chge	Opint
Jul 97	73.40	73.05	73.10	—0.02	33,352
Oct 97	75.15	74.80	74.88	+0.06	5,042
Dec 97	75.90	75.57	75.62	—0.03	26,886
Mar 98	76.95	76.70	76.75	—0.05	4,632
May 98	77.35	77.27	77.27	+0.03	1,139

Est. sales N.A. Wed's. sales 8,640
Wed's open int 72,630 off 507

HEATING OIL (NMER)
42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jul 97	54.25	53.20	53.40	—0.76	36,833
Aug 97	54.70	53.80	53.90	—0.82	19,089
Sep 97	55.45	54.70	54.80	—0.72	10,128
Oct 97	56.35	55.60	55.65	—0.72	10,194
Nov 97	57.00	56.50	56.65	—0.52	8,876
Dec 97	57.75	57.30	57.40	—0.52	12,998
Jan 98	58.20	57.75	57.90	—0.42	8,259
Feb 98	58.30	57.85	58.00	—0.22	3,689
Mar 98	57.20	56.75	56.95	—0.07	4,807

Est. sales N.A. Wed's. sales 38,014
Wed's open int 122,727 up 1245

LIGHT SWEET CRUDE (NMER)
1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Jul 97	20.30	19.65	19.71	—0.41	85,881
Aug 97	20.34	19.87	19.89	—0.38	52,927
Sep 97	20.35	19.98	19.98	—0.34	32,422
Oct 97	20.24	20.03	20.04	—0.29	20,413
Nov 97	20.27	20.09	20.17	—0.16	17,876
Dec 97	20.42	20.10	20.18	—0.14	33,397
Jan 98	20.20	20.10	20.15	—0.16	17,073
Feb 98	20.25	20.15	20.17	—0.13	7,452
Mar 98			20.28		4,492
Apr 98			20.25		4,462

Est. sales N.A. Wed's. sales 90,845
Wed's open int 389,593 off 7162

NATURAL GAS (NMER)
10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Jul 97	2.170	2.105	2.160		34,175
Aug 97	2.180	2.125	2.170		22,733
Sep 97	2.165	2.130	2.160		17,741
Oct 97	2.185	2.140	2.175		20,049
Nov 97	2.310	2.280	2.310		8,855
Dec 97	2.445	2.405	2.445		12,463
Jan 98	2.490	2.450	2.490		12,791
Feb 98	2.395	2.370	2.395		9,351
Mar 98	2.270	2.245	2.270		6,396
Apr 98	2.130	2.120	2.130		2,338

Est. sales N.A. Wed's. sales 27,265
Wed's open int 193,993 off 8

UNLEADED GASOLINE (NMER)
42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jul 97	60.75	59.55	59.70	—0.72	40,258
Aug 97	59.71	58.80	58.95	—0.69	14,782
Sep 97	58.60	58.20	58.30	—0.62	4,714
Oct 97	57.25	57.00	57.25	—0.17	3,259
Nov 97			56.77		1,758
Dec 97	56.30	56.00	56.00	—0.42	4,144

Est. sales N.A. Wed's. sales 26,303
Wed's open int 73,886 off 2788

GASOIL (IPE)
U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Jun 97	169.00	165.50	168.75	—3.00	16,202
Jul 97	170.25	167.25	167.75	—2.75	14,023
Aug 97	172.00	169.25	172.50	—2.75	8,450
Sep 97	174.25	171.25	171.75	—3.00	5,123
Oct 97	175.25	173.75	174.00	—2.75	5,605
Nov 97	176.00	175.75	175.75	—2.50	2,342
Dec 97	178.00	176.50	177.00	—2.50	8,338

Est. sales: 17,431 . Open int.: 64,851 off 342

Stock Indexes

S&P COMP. INDEX (CMER)
500 x index

	High	Low	Latest	Chge	Opint
Jun 97	851.30	841.00	848.60	+6.50	156,694
Sep 97	859.80	851.30	857.80	+7.85	40,633
Dec 97	868.00	865.30	868.00	+8.15	3,558

Est. sales N.A. Wed's. sales 77,084
Wed's open int 202,101 up 2634

CAC 40 (MATIF)
FF200 per index point

	High	Low	Latest	Chge	Opint
Jun 97	2708.0	2623.0	2684.0	+70.0	38,686
Jul 97	2704.0	2626.0	2682.0	+70.0	4,449
Sep 97	2715.0	2637.0	2697.0	+70.0	15,114

Est. sales: 26,574. Open int.: 68,283 off 1,018.

FTSE 100 (LIFFE)
£25 per index point

	High	Low	Latest	Chge	Opint
Jun 97	4582.0	4530.0	4576.0	+24.0	66,005
Sep 97	4611.5	4570.0	4607.5	+23.5	13,851
Dec 97	4656.0	4656.0	4657.0	+24.0	773

Est. sales: 19,543. Prev. sales: 20,093
Prev. open int.: 80,629 up 1,470

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,611.80
Reuters	2,000.30	2,006.40
D.J. Futures	158.07	159.57
CRB	246.67	247.09

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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German Growth Slows, Raising New Doubts On EU Currency Plan

Compiled by Our Staff From Dispatches

BONN — Economic growth slowed moderately in the first quarter, the Federal Statistics Office said Thursday, raising fresh questions as to whether Germany will be able to meet the fiscal criteria for European monetary union.

Gross domestic product grew 1.4 percent from the like quarter of 1996, slowed from a 1.9 percent increase shown three months earlier.

Noting that there were three fewer workdays in the first quarter this year, economists said the slowing of growth appeared worse than it was. But they said Germany faced an uphill fight to reach the government's 2.5 percent growth forecast for the whole year.

"I think the full-year 1997 growth will be slightly less than the government's growth forecast of 2.5 percent, and that could add to the government's budget problems," Lothar Hessler of Trinkaus & Burkhardt said.

Finance Minister Theo Waigel has repeatedly said Germany will be able to cut its budget deficit to below 3 percent of GDP, as the Maastricht treaty requires for countries joining the single currency at its scheduled launching in January 1999. But he has based that forecast on economic growth of 2.5 percent.

"The data could be positive for the deficit," Mr. Waigel said of the first-quarter growth. "The latest indicators are more positive, but unfortunately they are not yet impacting the labor market."

In Western Germany, the economy grew 1.2 percent from the first quarter of 1996, while in Eastern Germany it grew 2.8 percent.

The economy remains sluggish largely because consumers, unnerved by record high unemployment levels, are reluctant to spend, analysts said.

A separate report on factory orders showed demand for German goods increasing at home and abroad. Orders to the manufacturing industry rose 3.3 percent in April from March and were 6.4 percent higher than in April 1996.

Foreign orders for capital goods rose 5 percent, while similar orders for consumer goods increased 7 percent. Domestic orders of consumer goods grew 6.2 percent after a 1.1 percent decline in March.

"Exports and equipment investment are the two legs the economy is standing on," said Ralf Kugelstadt, an economist at Union Bank of Switzerland Ltd.

"It will take a long time before we see an improvement in private consumption."

"The competitiveness of the German economy on international markets has clearly improved again," Economics Minister Guenter Rexrodt said, pointing to lower wage costs and a decline in the value of the Deutsche mark.

(Reuters, Bloomberg)

Lufthansa AG Gains as It Talks Of Hapag Sale

Compiled by Our Staff From Dispatches

FRANKFURT — Shares of Lufthansa AG rose Thursday after the airline said it was considering selling its 18 percent stake in Hapag-Lloyd AG, a shipping and travel company.

Preussag AG, a steelmaker, said it was holding talks with the airline to buy the stake in Hapag-Lloyd but declined to comment on how the talks were progressing.

Preussag and Lufthansa have been trying to become more competitive by concentrating on their more profitable businesses. Analysts said a sale would make sense for Lufthansa but questioned why Preussag would buy into Germany's shipping industry, which is suffering from overcapacity and falling prices.

Lufthansa shares rose 1.30 Deutsche marks (76 cents) to close at 30.80. Traders said they hoped the sale of its stake would mean a one-time gain of as much as 540 million DM. Hapag-Lloyd shares were fixed at 995, and Preussag closed at 475, up 9.50. *(AFX, Bloomberg)*

Railtrack Has Profitable Start

But U.K. Regulator Calls for More Transport Investment

Compiled by Our Staff From Dispatches

LONDON — The owner of the British railway system, Railtrack PLC, reported a 27 percent rise in pretax profit Thursday for its first year after privatization, leading the industry regulator to order a review of its investment in the system.

Railtrack said pretax profit for the year that ended in March was £346 million ($583 million), which it compared with a proforma figure for the previous year. Revenue rose 6 percent, to £2.44 billion, with the bulk of it coming from track-access fees paid by government-subsidized passenger-train companies.

But Deputy Prime Minister John Prescott, who is also minister for transport, said the rail regulator Opraf was "not convinced" that Railtrack was meeting its targets.

"I'm not sure we are getting the investment we need" from privatized public-transport companies in general, he told the BBC.

"There is still a very long way for Railtrack to deliver on its investment obligations and thus secure the longer-term health of the network," the head of Opraf, John Swift, said. "There remains a substantial backlog of expenditure on network assets, stations and depots which Railtrack must eradicate as a priority."

The new Labour government has promised to tighten regulation of Railtrack and of the private rail operators that have been awarded franchises to run the 25 rail lines in Britain if they fail to provide adequate services.

In February, Railtrack promised to spend £15.9 billion over the next 10 years on upgrading track, signaling and stations.

"The idea that we're underinvesting is totally wrong," Chief Executive John Edmonds said. "We are getting on with our job and delivering our promises — 300 stations will be refurbished by the end of this year, and new track and signaling schemes are coming on stream all over the country."

Mr. Edmonds also said Railtrack should not be required to pay a tax on "excessive" profits that the new government has proposed for it and other utilities privatized by the former Conservative government.

Even if Railtrack is not included in a windfall tax, analysts said, the government could affect its future profit by limiting its gains from property sales.

"It's pleasing at the operating level," Marshall Whiting of SGST Securities said of the earnings report, "but I'm not convinced they're going to escape a windfall tax. We're a bit concerned."

Railtrack shares rose 14 pence to 659 in London trading.

"The shares are very cheaply priced at the moment in the market," said Richard Hannah, an analyst with UBS Ltd. "But there's nervousness because of what the government could do."

(Reuters, Bloomberg, AFP)

Daimler Profit Talk Brings Inquiry

Compiled by Our Staff From Dispatches

STUTTGART — Prosecutors said Thursday they were investigating a senior Daimler-Benz AG executive for allegedly violating rules on the disclosure of earnings.

The investigation centers on remarks that a management board member, Eckard Cordes, made to reporters March 2 at the Geneva auto show. He said then that the company's group 1996 net profit would exceed 2 billion Deutsche marks ($1.16 billion) and that its sales would total about 107 billion DM.

Daimler's shares rose 4 percent the following day, though the company did not issue its earnings report until later in the month. Its profit turned out to be 2.8 billion DM.

"The investigation refers to the alleged passing on of insider knowledge," a spokesman for the prosecutors' office said. "A figure was cited in Geneva which had potential impact on the share price." Insider trading in Germany can be punished by a fine, which varies with the profit made from the trade, or a prison sentence of as much as five years.

Separately, more than 30,000 Daimler-Benz employees stopped work to demonstrate for a greater share of the company's profit. Most of the protests lasted an hour, unions said. *(Reuters, Bloomberg, AFP)*

OECD Fears Farm Subsidies Will Grow

Reuters

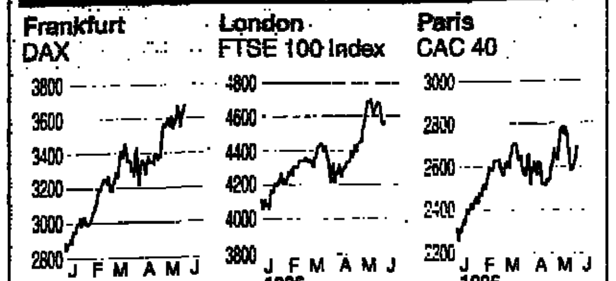
PARIS — Rich countries saved billions of dollars in subsidies to farmers last year, but the OECD said Thursday the savings were exceptional and that the cost of farm aid could climb again.

A boom in grain prices was one of the main reasons for the drop in the basic cost of supporting agriculture, which fell to $166 billion last year, according to data on 24 of the 29 members of the Organization for Economic Cooperation and Development, from $180 billion in 1995.

But grain prices have fallen steeply since hitting records in mid-1996, and the OECD fears that the savings recorded last year will make governments complacent about streamlining agriculture.

Switzerland remains proportionally the most generous OECD country to its farmers, with aid accounting for four-fifths of the value of all crops produced. Japan is not far behind, and the European Union is above the OECD's average,0 with subsidies amounting to 43 percent of the value of its crops.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	820.69	817.12	+0.44
Brussels	BEL-20	2,283.07	2,284.40	-0.06
Frankfurt	DAX	3,673.83	3,661.84	+0.31
Copenhagen	Stock Market	Closed	579.03	-
Helsinki	HEX General	3,057.64	3,077.10	-0.63
Oslo	OBX	634.63	641.31	-1.04
London	FTSE 100	4,576.20	4,557.10	+0.42
Madrid	Stock Exchange	564.41	557.47	+1.24
Milan	MIBTEL	12256	12260	-0.03
Paris	CAC 40	2,690.85	2,635.37	+2.11
Stockholm	SX 16	3,060.35	3,062.79	-0.08
Vienna	ATX	1,306.92	1,304.17	+0.21
Zurich	SPI	3,327.99	3,313.71	+0.43

Source: Telekurs — International Herald Tribune

Very briefly:

- **Platinum and palladium** market-makers held talks in London amid threats of delivery defaults in their markets, where acute shortages of the precious metals have driven prices up and prompted dealers to stop quoting forward rates.
- **Hennes & Mauritz AB** shares fell 20 kronor to close at 234 ($30.19) in Stockholm after the retailer said it would transfer its shares from the exchange's "A" list to its less prestigious "O" list to avoid the impact of a new tax law on its chief executive and biggest shareholder, Stefan Persson.
- **The European Community Shipowners' Association** said ending duty-free and tax-free sales in mid-1999 would lead to 50,000 job losses, higher ticket prices and closings of ferry routes. The association urged the European Union to review its 1991 decision to end the sales.
- **OAO Moskovskaya Gorodskaya Telefonnaya Set**, or MGTS, the regional phone company for Moscow, will not renew a contract with **France Telecom** for pay phones, saying the French-made phones did not offer enough protection against the use of fake telephone cards. The company has signed a deal with the Spanish telephone company **Amper SA**.
- **The European Commission** approved **Lyonnaise des Eaux SA**'s acquisition of **Compagnie de Suez SA**.
- **Siemens AG**'s chief executive, Heinrich von Pierer, said the company had no plans to leave the nuclear-energy business, despite public opposition to the technology in Germany.
- **W.H. Smith Group PLC** said it made £55 million ($95.1 million) by selling 14 of its retail properties in Britain; it did not identify the buyer. The book retailer plans to rent the properties for £3 million a year.
- **German** regulators rejected a bid by **Merck KGaA**, a drug and chemical maker, to buy **KMF Laborchemie Handels GmbH**, saying the purchase would give Merck a dominant position in the German laboratory-chemicals business.

AFX, Bloomberg, Reuters

WORLD STOCK MARKETS

Thursday, June 5
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 820.69 — Previous: 817.12

	High	Low	Close	Prev.
ABN-AMRO	36.50	35.80	36.30	35.90
Aegon	146.30	144.20	145.20	146
Ahold	147.70	146.30	147.70	146.40
Akzo Nobel	258.20	252.10	258	253.20
Baan Co.	119.90	118.20	119.20	119.20
Bols Wess cva	37.50	36.20	37.50	36.30
CSM cva	98.80	97.10	98.90	99.30
Dordtsche Pet	390.90	386.60	387	389.50
DSM	191.80	188.40	191.80	188.30
Elsevier	33.10	32.70	32.90	32.80
Fortis Amev	81.70	80.80	80.80	81.10
Getronics	66.20	65.60	66	66
G-Broc cva	64.90	64.20	64.80	64.70
Hagemeyer	94.70	93	93.90	93
Heineken	336.50	330.10	335.30	332
Hoogovens cva	104.70	103.10	103.70	104.10
Hunt Douglas	168.50	166	166.60	168.50
ING Group	88.50	86.80	88	88.10
KLM	55.90	55.10	55.80	55.30
KNP BT	41.70	40.40	41.60	40.60
KPN	76.70	74.30	75	74.60
Nedlloyd Gp	47	46.80	47	47
Nutricia	304	301	302.80	303
Oce Grinten	258.30	254.50	256.50	257
Philips Elec	120.80	117.30	119.30	117.90
Polygram	95.40	93	95	93.70
Randstad Hdg	205	200.20	200.20	203.50
Robeco	177	175.50	175.50	175
Rodamco	61.20	60.80	61	61.10
Rolinco	181.30	181	181	181
Rorento	111.70	111.50	111.60	111.40
Royal Dutch	377.20	374	376.40	377.60
Unilever cva	376.80	373.50	376.60	375.20
Vendex Intl	116	111	113.10	115.70
VNU	45.30	44.60	45	45
Wolters Kl cva	236	232.80	233	234

Bangkok
SET index: 548.05 — Previous: 552.87

	High	Low	Close	Prev.
Adv Info Svc	169	166	167	169
Bangkok Bk F	214	210	210	208
Krung Thai Bk	28.25	27.50	28	28.25
PTT Explor	320	318	320	318
Siam Cement F	494	478	490	490
Siam Com Bk F	123	116	117	123
Telecomasia	28.25	27.25	27.50	28
Thai Airways	38.75	38.50	38.75	38.50
Thai Farm Bk F	120	117	118	120
Utd Comm	114	110	113	111

Bombay
Sensex 30 index: 3873.85 — Previous: 3861.42

	High	Low	Close	Prev.
Bajaj Auto	895.75	865	895	888.50
Hindust Lever	1249	1217.25	1238	1239.75
Hindust Petm	432	426	430.50	427.75
Ind Dev Bk	93	90.25	91.75	92.25
ITC	487.50	479.25	485.75	480
Mahanagar Tel	284	280	281.75	281.25
Reliance Ind	314.50	305	311	304
State Bk India	323.50	316.50	319.75	321.50
Steel Authority	18.50	18	18	18.25
Tata Eng Loco	413	401.25	404	401

Brussels
BEL-20 index: 2283.07 — Previous: 2284.40

	High	Low	Close	Prev.
Almanij	16075	15850	15975	15975
Barco Ind	6390	6330	6330	6340
BBL	9760	9550	9550	9760
CBR	3320	3240	3305	3290
Colruyt	14450	14375	14450	14425
Delhaize Lion	1835	1815	1820	1835
Electrabel	7760	7560	7620	7790
Electrafina	3580	3550	3580	3580
Fortis AG	6930	6880	6920	6880
Gevaert	3135	3120	3135	3115
GBL	5780	5720	5750	5800
Gen Banque	14400	14150	14275	14150
Kredietbank	14925	14750	14850	14925
Petrofina	12400	12250	12375	12300
Powerfin	4995	4975	4990	4970
Royale Belge	10125	10050	10075	10160
Soc Gen Belg	3355	3300	3350	3305
Solvay	21800	21675	21800	21700
Tractebel	15575	15500	15525	15525
UCB	97000	96300	96550	96450

Market Closed

The Copenhagen stock market was closed Thursday for a holiday.

Frankfurt
DAX: 3673.83 — Previous: 3661.84

	High	Low	Close	Prev.
AMB B	1400	1399	1395	1399
Adidas	197	192	196	190
Allianz Hdg	366.50	365	366	368.80
Altana	1485	1485	1498	1499
Bk Berlin	39.50	39.20	39.50	38.50
BASF	64.88	64.55	64.61	64.63
Bayer Hypo Bk	55.50	54.60	55.20	54.55
Bay Vereinsbank	73.30	72.50	72.50	72.75
Bayer	48.95	48.50	48.65	48.10
Beiersdorf	93.90	91.40	93.00	92.50
Bilfinger	42	41.18	41.38	42.50
BMW	1448	1427	1429	1422
CKAG Colonia	167	166.50	167	166
Commerzbank	50.30	49.85	49.95	49.10
Daimler Benz	135.30	134.75	135.30	134.30
Degussa	86.50	85.30	86.15	84.90
Deutsche Bank	99.65	99.30	99.35	98.65
Deut Telekom	39.45	39	39.15	38.90
Dresdner Bank	62.25	62.10	62.10	62.05
Fresenius	365	360	364	358
Fresenius Med	163	158.90	162	157
Fried. Krupp	348	339	348	329.50
Gehe	125	123.90	124.50	123.50
Heidelbg Zmt	169	167	167	166
Henkel pfd	96.90	96.10	96.90	96
HEW	483	483	483	483
Hochtief	75	74.50	74.50	74.70
Hoechst	69.90	69.15	69.55	68.25
Karstadt	626.50	623	625.50	616
Lahmeyer	75	73.90	74.80	74
Linde	1255	1242	1255	1230
Lufthansa	30.90	30.70	30.80	29.50
MAN	515.60	514.50	515	511.50
Mannesmann	736	731.50	732.30	733
Metallgesellschaft	37.75	37.20	37.60	37
Metro	195.40	193	194	191
Munch Rueck R	4625	4545	4625	4562
Preussag	479	467.50	475	465.50
RWE	74.85	74.40	74.85	75.25
SAP pfd	315.30	310.70	312.80	316.70
Schering	181.50	179	180.60	179
SGL Carbon	261	260	260.20	260.50
Siemens	98.93	97.95	98.77	98.40
Springer (Axel)	1510	1510	1510	1510
Suedzucker	940	935	938	930
Thyssen	412	409.50	411	408.40
Veba	98.95	98	98.20	98.60
VEW	535	530	535	525
Viag	784.50	777	778	785.50
Volkswagen	1198	1186	1193	1175

Helsinki
HEX General index: 3057.44 — Previous: 3077.10

	High	Low	Close	Prev.
Enso A	47	46.20	47	46.50
Huhtamaki I	225	220.50	220.50	227
Kemira	51.50	50.50	51.20	50.70
Kesko	79	77.10	79	77.80
Merita A	17.70	17.40	17.40	17.60
Metra B	148	146	146.30	147
Metso-Serla B	40.50	39	39	40.50
Neste	138	137	137	138
Nokia A	341	337	339	344.50
Orion-Yhtymae	212	210	210	214
Outokumpu A	106.50	103	103	103
UPM-Kymmene	120	118	119.90	118.50
Valmet	90.30	89.50	90.10	90.40

Hong Kong
Hang Seng: 14795.52 — Previous: 14831.58

	High	Low	Close	Prev.
Amoy Props	8.80	8.50	8.55	8.80
Bk East Asia	28.90	27.90	28.85	27.95
Cathay Pacific	12.05	11.85	12	11.80
Cheung Kong	80	78.50	79	79.50
CK Infrastruct	24.80	24.35	24.40	24.80
China Light	44.30	42.80	44.20	43
Citic Pacific	49.40	48.20	48.90	48.90
Dao Heng Bk	41.80	41.20	41.80	41.80
First Pacific	10.50	10.10	10.20	10.50
Hang Lung Dev	14.90	14.75	14.80	14.90
Hang Seng Bk	92.25	91.75	91.75	92.25
Henderson Inv	9.25	8.95	9	9
Henderson Ld	75	73.75	74	74.75
HK China Gas	14.05	13.80	14	13.95
HK Electric	29.20	28.60	28.60	29.20
HK Telecomm	17.35	16.65	17.15	17.05
Hopewell Hdgs	4.23	4.15	4.23	4.20
HSBC Hdgs	230	225	227	229
Hutchison Wh	64.50	62.75	63.25	64.75
Hysan Dev	25.20	24.80	24.90	25.10
Johnson El Hdg	22.80	22.60	22.70	22.70
Kerry Props	19.50	19.30	19.40	19.50
New World Dev	49.80	49.30	49.70	49.50
Oriental Press	2.75	2.68	2.73	2.75
Pearl Oriental	2.85	2.43	2.63	2.63
SHK Props	97.25	95.50	97	96.25
Shun Tak Hdgs	5.30	5.15	5.15	5.25
Sino Land Co.	9.15	8.95	9.05	9.10
Sth China Post	7.35	7.20	7.20	7.20
Swire Pac A	71.50	68.50	71	69.25
Wharf Hdgs	35.40	34.90	35.20	35.50
Wheelock	20	19.15	19.30	19.40

Jakarta
Composite index: 691.98 — Previous: 692.54

	High	Low	Close	Prev.
Astra Intl	6900	6750	6825	6925
Bk Intl Indon	1975	1900	1925	1925
Bk Negara	1675	1600	1650	1625
Gudang Garm	10400	10125	10175	10475
Indocement	3000	2975	3000	2975
Indofood	5475	5450	5450	5525
Indosat	7500	7300	7425	7300
Sampoerna HM	10425	9975	10325	9975
Semen Gresik	5625	5525	5525	5500
Telekomunikasi	3975	3925	3950	4000

Johannesburg
All Market: 7218.51 — Previous: 7172.82

	High	Low	Close	Prev.
Amalgamtd Bks	28.90	28	28.50	28.85
AngloAm Coal	295	292.75	295	291.50
AngloAm Corp	270.75	269.25	270.75	269.50
AngloAm Gold	300	299	300	300
AngloAm Ind	191	190	190	191
AVMIN	16	15.88	15.85	15.80
Barlow	48.55	47.75	47.95	48.50
C.G. Smith	25.50	25.20	25.50	25.35
De Beers	163	160.75	162	161.50
Driefontein	36.20	35.60	36.25	36.40
Fst Natl Bk	36	35.35	35.45	35.35
Gencor	20.50	20.10	20.45	20.30
GFSA	112.50	112	112.50	113
Imperial Hdgs	57	56.75	56.75	56.75
Ingwe Coal	31	30.25	30.75	30.25
Iscor	3.16	3.12	3.13	3.13
Johnnies Indl	57.50	56.75	57.25	57.25
Liberty Hdgs	349.50	349.25	349.50	349.75
Liberty Life	127	125.75	127	126.25
LibLife Strat	17.50	17	17	17.50
Minorco	106	105	105.50	105.50
Nampak	18.10	17.40	17.80	18.10
Nedcor	90.25	88.25	89.75	89
Rembrandt Gp	46	45.90	46	46
Richemont	62.50	62	62	62.75
Rust Platinum	74.25	75	75.75	75
SA Breweries	131.25	129.75	131	130
Samancor	49.75	49.50	49.50	49.25
Sasol	56.75	56	56.50	56.50
SBIC	213.50	212.75	213.50	213.50
Tiger Oats	77.25	76.75	76.75	76.75

Kuala Lumpur
Composite: 1108.84 — Previous: 1119.28

	High	Low	Close	Prev.
AMMB Hdgs	17.10	16.40	17	16.40
Genting	13.10	12.70	12.80	13.10
Mal Banking	27.25	26.50	27	27.25
Mal Intl Ship F	5.95	5.85	5.90	5.95
Petronas Gas	9.40	9.25	9.30	9.40
Proton	13	12.60	12.60	12.90
Public Bk	4.02	3.98	4.02	4
Renong	3.68	3.50	3.54	3.68
Resorts World	8.50	8.25	8.30	8.45
Rothmans PM	26.75	25	26	26.75
Sime Darby	8.35	8.15	8.15	8.15
Telekom Mal	12.70	12.30	12.40	12.60
Tenaga	12	11.80	11.90	11.90
Utd Engineers	20.20	19.70	19.90	20.30
YTL	9.15	9	9.05	9.20

London
FT-SE 100: 4576.20 — Previous: 4557.10

	High	Low	Close	Prev.
Abbey Natl	8.52	8.10	8.13	8.40
Allied Domecq	4.31	4.25	4.26	4.32
Anglian Water	6.72	6.65	6.69	6.64
Argos	6.15	6.07	6.08	6.11
Asda Group	1.24	1.20	1.24	1.20
Assoc Br Foods	5.27	5.20	5.27	5.27
BAA	5.38	5.25	5.38	5.28
Barclays	11.68	11.43	11.56	11.78
Bass	7.76	7.63	7.70	7.69
BAT Ind	5.42	5.33	5.39	5.40
Bank Scotland	3.72	3.63	3.65	3.72
Blue Circle	4.08	4.02	4.07	4.07
BOC Group	10.29	10.13	10.29	10.18
Boots	7.34	6.60	6.90	7.02
BPB Ind	3.32	3.28	3.31	3.31
Brit Aerosp	12.83	12.65	12.77	12.54
Brit Airways	7.31	6.96	7.17	6.96
BG	2.21	2.16	2.16	2.19
Brit Land	5.90	5.76	5.90	5.91
Brit Petm	7.37	7.25	7.34	7.33
BSkyB	5.88	5.72	5.86	5.76
Brit Steel	1.51	1.49	1.49	1.49
Brit Telecom	4.56	4.45	4.54	4.46
BTR	1.99	1.88	1.94	1.97
Burmah Castrol	10.45	10.37	10.38	10.42
Burton Gp	1.31	1.26	1.31	1.28
Cable Wireless	5	4.86	4.98	4.93
Cadbury Schw	5.22	5.13	5.19	5.27
Carlton Comm	5.25	5.20	5.23	5.18
Coml Union	6.75	6.49	6.71	6.62
Compass Gp	6.86	6.68	6.84	6.67
Courtaulds	3.49	3.35	3.35	3.37
Dixons	4.95	4.90	4.93	4.90
Electrocomponents	4.02	3.98	4	3.98
EMI Group	11.59	11.25	11.50	11.42
Energy Group	5.58	5.36	5.55	5.42
Enterprise Oil	7.02	6.93	6.99	6.89
Fam Colonial	1.63	1.62	1.63	1.62
Genl Accident	8.96	8.87	8.96	8.93
GEC	3.35	3.27	3.32	3.32
GKN	10.29	10.20	10.22	10.28
Glaxo Wellcome	12.01	11.76	11.97	11.99
Granada Gp	8.75	8.55	8.71	8.60
Grand Met	5.70	5.61	5.64	5.61
GRE	2.78	2.70	2.73	2.74
Greenalls Gp	4.66	4.58	4.60	4.61
Guinness	5.75	5.67	5.69	5.73
GUS	6.40	6.29	6.39	6.33
Hays	5.63	5.57	5.63	5.58
HSBC Hldgs	18.16	17.94	18.13	18.01
ICI	8.35	8.23	8.32	8.24
Impl Tobacco	4.25	3.80	3.85	3.78
Kingfisher	7.28	7.13	7.26	7.09
Ladbroke	2.48	2.45	2.45	2.48
Land Sec	8.90	8.63	8.72	8.83
Lasmo	2.63	2.45	2.62	2.41
Legal Genl Grp	4.52	4.38	4.48	4.39
Lloyds TSB Gp	5.90	5.77	5.89	5.89
LucasVarity	1.85	1.77	1.82	1.77
Marks Spencer	5.11	5.05	5.06	5.09
MEPC	5.30	5.14	5.28	5.11
Mercury Asset	13.40	13.03	13.40	13.33
National Grid	2.21	2.18	2.20	2.22
Natl Power	5.04	5	5.01	5.05
NatWest	7.42	7.10	7.42	7.26
Next	7.10	7.01	7.02	7.13
Orange	2.13	2.07	2.12	2.10
P&O	6.41	6.33	6.38	6.42
Pearson	7.12	7.04	7.10	7.13
Pilkington	1.27	1.16	1.17	1.25
PowerGen	6.58	6.42	6.55	6.50
Premier Farnell	4.67	4.60	4.65	4.63
Prudential	6.20	6.04	6.29	6.07
Railtrack Gp	6.70	6.38	6.59	6.45
Rank Group	4.25	4.20	4.24	4.27
Reckitt Colm	8.87	8.33	8.40	8.37
Redland	3.27	3.21	3.24	3.29
Reed Intl	5.99	5.90	5.94	5.97
Rentokil Initial	2.29	2.25	2.25	2.28
Reuters Hdgs	6.78	6.71	6.75	6.81
Rexam	2.70	2.64	2.66	2.67
RMC Group	9.25	9	9.20	9.06
Rolls Royce	2.45	2.36	2.44	2.39
Royal Bk Scot	6.07	5.90	6	5.88
RTZ reg	10.38	10.17	10.23	10.36
Royal & Sun All	4.65	4.57	4.64	4.63
Safeway	3.51	3.41	3.48	3.44
Sainsbury	3.53	3.49	3.50	3.53
Schroders	16.80	16.75	16.80	16.82
Scot Newcastle	6.72	6.63	6.66	6.73
Scot Power	3.67	3.61	3.65	3.65
Securicor	2.87	2.84	2.86	2.83
Severn Trent	7.85	7.65	7.67	7.77
Shell Transp R	11.90	11.78	11.85	11.88
Siebe	9.57	9.43	9.53	9.37
Smith Nephew	1.75	1.72	1.72	1.75
SmithKline	11.40	10.32	10.49	10.59
Smiths Ind	7.73	7.61	7.72	7.57
Sthern Elec	4.20	4.10	4.18	4
Stagecoach	6.90	6.83	6.89	6.81
Stand Charter	9.36	9.22	9.30	9.28
Tate & Lyle	4.55	4.51	4.53	4.48
Tesco	3.69	3.59	3.69	3.63
Thames Water	6.92	6.80	6.86	6.77
3i Group	5.08	4.99	5	5.05
TI Group	5.55	5.44	5.48	5.51
Tomkins	2.62	2.55	2.57	2.61
Unilever	16.10	15.92	16.09	16.09
Utd Assurance	4.72	4.61	4.64	4.68
Utd News	7.84	7.76	7.82	7.80
Utd Utilities	6.83	6.68	6.76	6.85
Vendome Lx uts	4.45	4.39	4.43	4.45
Vodafone	2.92	2.69	2.91	2.82
Whitbread	7.77	7.45	7.73	7.67
Williams Hdgs	3.16	3.13	3.14	3.11
Wolseley	4.65	4.57	4.60	4.65
WPP Group	2.52	2.48	2.50	2.45
Zeneca	18.70	18.40	18.53	18.50

Madrid
Bolsa index: 564.41 — Previous: 557.47

	High	Low	Close	Prev.
Acerinox	27500	25700	27490	26280
ACESA	1805	1770	1800	1780
Aguas Barcelon	5830	5770	5810	5810
Argentaria	7780	7450	7770	7540
BBV	10800	10560	10800	10630
Banesto	1520	1495	1520	1510
Bankinter	25100	24300	25050	24390
Bco Centro Hisp	4850	4755	4800	4745
Bco Popular	32950	31170	31800	31200
Bco Santander	13020	12760	12960	12840
CEPSA	5340	5150	5200	5260
Continente	2805	2745	2800	2770
Corp Mapfre	7490	7400	7410	7450
Endesa	11380	11210	11310	11260
FECSA	1320	1280	1315	1295
Gas Natural	29600	28760	29300	28900
Iberdrola	1780	1735	1775	1740
Pryca	2750	2605	2745	2630
Repsol	6300	6160	6290	6200
Sevillana Elec	1415	1385	1410	1395
Tabacalera	7420	7140	7420	7200
Telefonica	4325	4205	4315	4215
Union Fenosa	1310	1275	1310	1285
Valenc Cement	2070	2015	2070	2070

Manila
PSE index: 2778.44 — Previous: 2796.11

	High	Low	Close	Prev.
Ayala B	19.75	18.50	19	19.75
Ayala Land	21.50	21.25	21.50	21.50
Bk Philip Isl	161	157	160	157
C&P Homes	10	9.60	9.70	10
Manila Elec A	93.50	92.50	93	92
Metro Bank	555	540	545	555
Petron	7.20	7	7	7.10
PCIBank	265	260	260	265
Phil Long Dist	795	790	795	795
San Miguel B	77.50	77	77	78
SM Prime Hdg	7.60	7.50	7.50	7.60

Mexico
Bolsa index: 4119.60 — Previous: 4121.56

	High	Low	Close	Prev.
Alfa A	48.40	47.70	48.30	48.60
Banacci B	18.98	18.56	18.88	18.60
Cemex CPO	31.75	31.00	31.55	31.60
Cifra C	12.86	12.40	12.56	12.86
Emp Modema	39.10	39.00	39.00	39.45
Gpo Carso A1	47.20	46.85	47.20	47.00
Gpo F Bcomer	1.80	1.74	1.75	1.78
Gpo Fin Inbursa	28.05	27.80	28.05	28.00
Kimb Clark Mex	30.45	29.20	30.35	29.10
Televisa CPO	118.00	117.00	117.50	118.00
TelMex L	18.80	18.50	18.60	18.60

Milan
MIB Telematico: 12256.00 — Previous: 12260.00

	High	Low	Close	Prev.
Alleanza Assic	11020	10950	10955	10960
Bca Comm Ital	3485	3365	3440	3360
Bca Fideuram	4485	4360	4425	4385
Bca di Roma	1195	1181	1181	1186
Benetton	23650	23400	23400	23400
Credito Italiano	2600	2545	2600	2555
Edison	7835	7750	7750	7800
ENI	8705	8610	8635	8640
Fiat	5750	5670	5720	5710
Generali Assic	29000	28800	28800	28950
IMI	15015	14825	14825	14965
INA	2425	2380	2415	2380
Italgas	5215	5160	5185	5160
Mediaset	7340	7280	7315	7300
Mediobanca	9900	9650	9680	9850
Montedison	1063	1043	1045	1060
Olivetti	490	480	484	480
Parmalat	2460	2420	2435	2460
Pirelli	3890	3770	3870	3825
RAS	13260	12970	12970	13170
Rolo Banca	18450	18200	18400	18245
S Paolo Torino	10950	10865	10910	10940
Stet	8650	8515	8530	8615
Telecom Italia	4680	4630	4640	4670
TIM	5170	5110	5140	5140

Montreal
Industrials index: 2314.04 — Previous: 3291.60

	High	Low	Close	Prev.
Bce Mob Com	42½	42¼	42½	43
Cdn Tire A	26.10	25.85	26.10	25.90
Cdn Util A	35½	35.20	35¼	35.15
CT Finl Svc	36.30	36.25	36.25	36
Gaz Metro	17.90	17.80	17.90	17.80
Gt-West Lifeco	29.05	28.70	29	29
Imasco	39.55	39.15	39.30	39.60
Investors Grp	28.70	28¼	28½	28¼
Loblaw Cos	20.15	19.40	19.90	19.30
Natl Bk Canada	17.20	16.70	16.90	16.60
Power Corp	32.65	32½	32.60	32.65
Power Finl	31.60	31	31.30	30.80
Quebecor B	26.10	25.90	26.10	26.05
Rogers Comm B	7.80	7.80	7.80	7.80
Royal Bk Cda	60.80	60	60.15	60¾

Oslo
OBX index: 634.63 — Previous: 641.31

	High	Low	Close	Prev.
Aker A	136.50	135	135	136
Bergesen Dy A	169	168	168	169
Christiania Bk	24.80	24.40	24.40	24.80
Den norske Bk	28.50	28.20	28.40	28.50
Elkem	140	138	140	139
Hafslund A	44.30	44.30	44.30	44.30
Kvaerner Asa	408.50	406	407	408
Norsk Hydro	370	363.50	368.50	366
Norske Skog A	252.50	249	251.50	252
Nycomed A	104	102	104	103
Orkla Asa A	610	561	568	613
Petro Geo Svc	315.50	309	318	316
Saga Petm A	143.50	141.50	143	143.50
Schibsted	141.50	140	140	143
Transocean Off	515	510	515	517
Storebrand Asa	47	46	47	46.40

Paris
CAC-40: 2690.85 — Previous: 2635.37

	High	Low	Close	Prev.
Accor	903	846	887	839
AGF	171.90	168.90	168.90	168.90
Air Liquide	938	915	936	927
Alcatel Alsth	646	620	630	619
Axa-UAP	350.70	341.80	345.80	340.80
Bancaire	706	669	700	675
BIC	920	910	919	907
BNP	236.20	227	227.40	227
Canal Plus	1058	1030	1040	1024
Carrefour	3995	3918	3925	3880
Casino	278	271.50	276.30	272.50
CCF	243.50	240	242.50	237.50
Cetelem	689	650	687	655
Christian Dior	931	896	925	899
CLF-Dexia Fran	573	556	563	556
Credit Agricole	1270	1250	1270	1255
Danone	945	915	928	911
Elf-Aquitaine	644	626	632	630
Eridania BS	885	853	853	853
Eurodisney	9.05	8.90	8.95	8.90
Eurotunnel	6.25	6.10	6.20	6.10
Gen. Eaux	738	710	728	703
Havas	414.80	398	413.30	394.60
Imetal	811	785	800	780
Lafarge	390	370.20	385	365.70
Legrand	1049	991	1041	1010
L'Oreal	2270	2216	2223	2196
LVMH	1488	1460	1470	1450
Lyon. Eaux	565	552	552	556
Michelin B	341	332	335.10	327.30
Paribas A	367	357	362.60	357.50
Pernod Ricard	297	289.90	295.10	285.40
Peugeot Cit	594	560	580	557
Pinault-Print	2604	2458	2541	2420
Promodes	2159	2050	2115	2015
Renault	139.90	133.30	138	133.40
Rexel	1747	1619	1714	1606
Rh-Poulenc A	208.40	198.60	203.10	199.80
Sanofi	554	529	546	516
Schneider	310.70	299	306.10	297.60
SEB	1102	1080	1093	1092
SGS Thomson	472	460	471	469
Ste Generale	617	590	608	590
Sodexho	2798	2760	2790	2772
St Gobain	819	795	813	798
Suez	294.10	286.50	288.20	289.80
Synthelabo	718	691	700	690
Thomson CSF	160	153	159.50	153.30
Total B	555	530	547	528
Usinor	93.15	91.20	92.35	90
Valeo	367.50	346.50	361.90	347

São Paulo
Bovespa index: 11078.40 — Previous: 11029.90

	High	Low	Close	Prev.
Bradesco Pfd	8.45	8.26	8.45	8.25
Brahma Pfd	804.00	777.00	804.00	777.00
Cemig Pfd	55.00	54.10	54.65	54.00
CESP Pfd	61.30	60.20	60.50	60.20
Copel	15.90	15.70	15.70	15.95
Eletrobras	495.00	490.49	491.00	493.00
Itaubanco Pfd	520.00	516.00	520.00	520.00
Light Servicios	510.00	480.00	486.00	513.00
Lightpar	352.10	349.00	350.00	351.50
Petrobras Pfd	249.00	246.00	248.90	246.00
Paulista Luz	158.99	154.00	157.00	153.60
Sid Nacional	35.00	34.50	34.70	34.80
Souza Cruz	10.30	10.10	10.30	10.10
Telebras Pfd	144.80	141.60	143.00	142.80
Telemig	176.00	171.00	172.90	173.50
Telerj	172.00	164.00	164.40	166.01
Telesp Pfd	348.00	343.00	343.00	345.00
Unibanco	39.00	35.80	38.50	35.59
Usiminas Pfd	1.13	1.10	1.11	1.13
CVRD Pfd	23.05	22.80	22.95	23.05

Seoul
Composite index: 745.67 — Previous: 763.25

	High	Low	Close	Prev.
Dacom	98000	96000	97000	96900
Daewoo Heavy	8200	7900	8080	8050
Hyundai Eng.	21600	21200	21200	21700
Kia Motors	15900	15700	15900	15900
Korea El Pwr	29900	29400	29700	29400
Korea Exch Bk	6450	6200	6350	6350
Korea Mob Tel	402000	390500	398500	400000
LG Semicon	37500	36600	37500	37300
Pohang Iron St	59000	57730	58200	57700
Samsung Display	46300	45500	45900	45900
Samsung Elec	67500	66100	66500	67000
Shinhan Bank	11400	11200	11200	11300

Singapore
Straits Times: 2043.71 — Previous: 2047.89

	High	Low	Close	Prev.
Asia Pac Brew	6.45	6.45	6.45	6.40
Cerebos Pac	8.20	8	8	8.15
City Devts	13.90	13.60	13.90	13.70
Cycle Carriage	14.40	14	14.40	14.40
Dairy Farm Int*	0.74	0.73	0.74	0.73
DBS foreign	18.60	18.40	18.40	18.60
DBS Land	4.80	4.70	4.74	4.76
Fraser & Neave	11.50	11	11.10	11.30
HK Land*	2.75	2.62	2.73	2.60
Jard Matheson*	7.50	7.05	7.35	7.05
Jard Strategic*	3.86	3.78	3.82	3.78
Keppel	6.35	6.20	6.25	6.40
Keppel Bank	3.80	3.78	3.80	3.80
Keppel Fels	4.78	4.74	4.78	4.78
Keppel Land	4.16	4.10	4.10	4.18
OCBC foreign	16.10	15.10	15.20	18.40
OS Union Bk F	9.60	9.30	9.30	9.85
Parkway Hdgs	6.85	6.45	6.60	6.90
Sembawang	7	6.90	6.90	7.10
Sing Air foreign	12.80	12.50	12.50	12.80
Sing Land	7.15	7.10	7.10	7.15
Sing Press F	29.40	28.90	28.90	29.20
Sing Tech Ind	4.06	4.02	4.02	4.06
Sing Telecomm	2.61	2.58	2.61	2.59
Tat Lee Bank	3.38	3.36	3.36	3.36
Utd Industrial	1.15	1.13	1.15	1.14
Utd OSea Bk F	15.90	15.50	15.80	15.50
Wing Tai Hdgs	4.22	4.18	4.20	4.22

*: in U.S. dollars.

Stockholm
SX 16 index: 3060.35 — Previous: 3062.79

	High	Low	Close	Prev.
AGA B	103.50	101.50	101.50	103
ABB A	108	106	108	107.50
AssiDoman	211.50	209	211	210
Astra A	139	127.50	128	130
Atlas Copco A	213	208	210.50	219
Autoliv	313	307.50	308	312
Electrolux B	459.50	455	457.50	457
Ericsson B	282	274.50	281.50	277.50
Hennes B	259	229	234.50	254
Incentive A	691	688	690	693
Investor B	390	382	390	385.50
MoDo B	238	236	237	240.50
Nordbanken	237	235	236	238
Pharm/Upjohn	269.50	262.50	267.50	268
Sandvik B	212	208	212	208
Scania B	220	217	220	220
SCA B	165	163.50	164	165
S-E Banken A	82.50	81	82	82
Skandia Fors	278	274.50	275	277
Skanska B	328.50	318.50	328.50	318.50
SKF B	179	177	179	177
Sparbanken A	156.50	151.50	156.50	154.50
Stadshypotek A	190	190	190	190
Stora A	115	114	114.50	114.50
Sv Handles A	221.50	217	221	219
Volvo B	215	210	210.50	215.50

Sydney
All Ordinaries: 2404.20 — Previous: 2415.90

	High	Low	Close	Prev.
Amcor	8.56	8.50	8.53	8.56
ANZ Bking	8.88	8.70	8.79	8.88
BHP	19.05	18.75	18.83	18.97
Boral	4.11	4.06	4.07	4.08
Brambles Ind.	23.60	23.40	23.58	23.43
CBA	14.43	14.26	14.30	14.27
CC Amatil	16.01	15.85	15.87	16.10
Coles Myer	6.36	6.22	6.31	6.22
Comalco	7.30	7.15	7.15	7.22
CSR	4.85	4.80	4.82	4.83
Fosters Brew	2.63	2.59	2.60	2.63
Goodman Fld	1.77	1.75	1.76	1.78
ICI Australia	12.15	12.05	12.10	12.15
Lend Lease	26.60	26.25	26.39	26.55
MIM Hdgs	1.90	1.84	1.84	1.86
Nat Aust Bank	19	18.80	18.88	18.95
Nat Mutual Hdg	1.93	1.90	1.91	1.92
News Corp	5.74	5.68	5.69	5.71
Pacific Dunlop	3.76	3.72	3.74	3.73
Pioneer Intl	4.56	4.51	4.52	4.55
Pub Broadcast	7.05	6.97	6.98	7.05
Rio Tinto	21.18	20.95	21.07	21.15
St George Bank	7.92	7.85	7.88	7.87
WMC	8.17	8.09	8.12	8.19
Westpac Bking	7.21	6.94	7.20	6.95
Woodside Pet	10.97	10.75	10.81	10.96
Woolworths	3.99	3.93	3.96	3.97

Taipei
Stock Market index: 8231.30 — Previous: 8282.91

	High	Low	Close	Prev.
Cathay Life Ins	146	143	143	145
Chang Hwa Bk	118	115	115	116
Chiao Tung Bk	67.50	66.50	66.50	67
China Develpmt	119	116.50	117	116
China Steel	29.70	29.30	29.30	29.60
First Bank	117	113	113	115
Formosa Plastic	74	72	72.50	73
Hua Nan Bk	115.50	112	112	113.50
Intl Comm Bk	66.50	65	65	65
Nan Ya Plastics	77.50	75.50	76	76
Shin Kong Life	90.50	88	88	89
Taiwan Semi	130	124	124.50	128.50
Tatung	56	55	55.50	55.50
Utd Micro Elec	84.50	81	82	82
Utd World Chin	68	67	68	67

Tokyo
Nikkei 225: 20488.15 — Previous: 20611.56

	High	Low	Close	Prev.
Ajinomoto	1240	1230	1240	1240
All Nippon Air	763	752	760	764
Amway	4400	4350	4360	4400
Asahi Bank	782	769	772	777
Asahi Chem	689	676	685	690
Asahi Glass	1160	1140	1150	1160
Bk Tokyo Mitsu	2050	2010	2040	2030
Bk Yokohama	600	581	587	606
Bridgestone	2720	2670	2680	2710
Canon	3120	3060	3070	3020
Chubu Elec	2120	2080	2100	2090
Chugoku Elec	2060	2040	2040	2060
Dai Nipp Print	2390	2350	2380	2390
Daiei	799	786	789	792
Dai-Ichi Kang	1350	1320	1330	1350
Daiwa Bank	457	448	451	460
Daiwa House	1390	1380	1380	1390
Daiwa Sec	900	888	894	901
DDI	9150a	9050a	9090a	9080a
Denso	2930	2870	2890	2910
East Japan Ry	5860a	5750a	5800a	5750a
Eisai	2300	2270	2280	2300
Fanuc	4370	4190	4300	4200
Fuji Bank	1590	1520	1580	1540
Fuji Photo	4770	4710	4770	4790
Fujitsu	1490	1460	1470	1460
Hachijuni Bk	1100	1090	1090	1100
Hitachi	1300	1270	1270	1290
Honda Motor	3590	3510	3520	3580
IBJ	1450	1430	1440	1440
IHI	442	436	436	442
Itochu	617	607	614	616
Ito-Yokado	6830	6630	6630	6840
JAL	501	498	499	501
Japan Tobacco	9070a	9010a	9050a	8960a
Jusco	4050	3940	3970	3930
Kajima	670	655	659	677
Kansai Elec	2290	2260	2280	2270
Kao	1600	1580	1600	1590
Kawasaki Hvy	518	509	510	520
Kawa Steel	357	354	356	356
Kinki Nipp Ry	706	700	703	701
Kirin Brewery	1190	1170	1180	1180
Kobe Steel	228	222	224	228
Komatsu	918	902	917	909
Kubota	589	576	581	569
Kyocera	9320	9080	9240	9110
Kyushu Elec	2060	2040	2040	2060
LTCB	391	378	381	381
Marubeni	517	505	512	506
Marui	2240	2200	2210	2210
Matsu Comm	3830	3720	3760	3840
Matsu Elec Ind	2260	2240	2240	2260
Matsu Elec Wk	1340	1320	1340	1330
Mitsubishi	1400	1380	1400	1400
Mitsubishi Ch	382	372	372	379
Mitsubishi El	703	683	698	687
Mitsubishi Est	1720	1690	1710	1680
Mitsubishi Hvy	857	848	853	852
Mitsubishi Mat	869	856	862	865
Mitsubishi Tr	1640	1600	1610	1650
Mitsui	1050	1040	1050	1040
Mitsui Fudosn	1610	1550	1590	1540
Mitsui Trust	875	855	863	887
Murata Mfg	4740	4740	4740	4740
NEC	1660	1640	1650	1660
Nikon	2070	2020	2030	2070
Nikko Sec	710	694	699	710
Nintendo	9700	9490	9560	9500
Nipp Express	936	916	918	940
Nippon Oil	618	604	616	604
Nippon Steel	354	349	350	353
Nissan Motor	823	800	817	806
NKK	246	240	240	247
Nomura Sec	1380	1350	1360	1370
NTT	1100b	1080b	1100b	1080b
NTT Data	4600b	4500b	4510b	4500b
Oji Paper	708	691	704	700
Osaka Gas	306	299	299	306
Ricoh	1560	1530	1530	1550
Rohm	11700	11500	11700	11800
Sakura Bk	739	723	733	723
Sankyo	3810	3750	3810	3780
Sanwa Bank	1510	1470	1490	1490
Sanyo Elec	517	505	517	502
Secom	8610	8490	8490	8620
Seibu Rwy	5990	5910	5910	6100
Sekisui Chem	1240	1230	1230	1230
Sekisui House	1210	1190	1200	1200
Seven-Eleven	8780	8660	8750	8690
Sharp	1590	1560	1570	1560
Shikoku El Pwr	1960	1950	1950	1950
Shimizu	697	680	681	700
Shin-etsu Ch	2960	2920	2960	2950
Shiseido	1830	1770	1800	1750
Shizuoka Bk	1160	1150	1150	1170
Softbank	7900	7720	7800	7900
Sony	10100	9960	10000	10000
Sumitomo	1060	1040	1040	1060
Sumitomo Bk	1720	1660	1710	1670
Sumit Chem	498	486	492	500
Sumitomo Elec	1850	1840	1840	1850
Sumit Metal	316	309	312	317
Sumit Trust	1080	1030	1030	1070
Taisho Pharm	3040	2980	2980	3020
Takeda Chem	3090	3040	3060	3050
TDK	9030	8870	8870	8990
Tohoku El Pwr	2040	1980	2020	2040
Tokai Bank	1000	985	994	986
Tokio Marine	1430	1390	1390	1420
Tokyo El Pwr	2290	2270	2270	2280
Tokyo Electron	5850	5670	5670	5820
Tokyo Gas	314	307	308	314
Tokyu Corp.	718	702	715	702
Tonen	1450	1410	1410	1460
Toppan Print	1690	1650	1670	1680
Toray Ind	794	788	793	796
Toshiba	752	733	739	729
Tostem	3120	3080	3080	3140
Toyo Trust	820	810	815	819
Toyota Motor	3480	3410	3410	3460
Yamanouchi	2970	2930	2930	2980

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6460.26 — Previous: 6428.62

	High	Low	Close	Prev.
Abitibi Cons.	25	24.80	24.85	25
Alberta Energy	33.70	33.20	33½	33.45
Alcan Alum	49.85	49.55	49.70	49¾
Anderson Expl	18½	18.30	18½	18½
Bk Montreal	54½	53.40	53¾	53.65
Bk Nova Scotia	59.70	58½	58.90	58.70
Barrick Gold	33½	32.65	33.45	32.70
BCE	38.60	37.80	38.30	37.85
BC Telecomm	31¾	31.40	31.65	31.60
Biochem Pharm	33½	33	33½	32½
Bombardier B	29.70	29.35	29.55	29.40
Brascan A	35.20	34.70	35.15	34¾
Cameco	53.35	52¾	53	53¼
CIBC	34.20	33.65	33¾	33.85
Cdn Natl Rail	57.60	56½	56.80	57.80
Cdn Nat Res	36.70	35.60	36.45	35.45
Cdn Occid Pet	31.70	31.35	31.60	31.45
Cdn Pacific	37.30	36.85	36.90	36.60
Cominco	39¼	38½	39.15	38.65
Dofasco	27.10	26.70	27	26.65
Domtar	11.65	11½	11.65	11.60
Donohue A	30.40	30¼	30.35	30¼
Du Pont Cda A	32¼	31	32	32.95
Edper Group	24.10	23.80	24.10	23.80
EuroNev Mng	42.20	41.05	41.95	41
Fairfax Finl	340	336	339	338
Falconbridge	29.80	29½	29.65	29.70
Fletcher Chall A	23¼	23.65	23.65	23.65
Franco Nevada	73.90	72.80	73½	73
Gulf Cda Res	12.40	12.30	12.30	12.40
Imperial Oil	69.30	68.80	69¼	69
Inco	44¼	44	44.35	44.10
IPL Energy	43.20	43	43	43
Laidlaw B	18.90	18.65	18.80	18.80
Loewen Group	48.10	47.60	47¾	48.05
Macmill Bldl	20.45	20.05	20.15	20.15
Magna Intl A	74.10	73.65	73¾	73.80
Methanex	12.80	12.70	12.80	12¾
Moore	31	30.35	30.60	30.35
Newbridge Net	55.70	54.80	55.60	55.40
Noranda Inc	31	30½	30.85	30¾
Norcen Energy	33.35	33.05	33.20	33¼
Nthern Telecom	121.80	119½	121.15	119.95
Nova	11.70	11.55	11.60	11.65
Onex	26¼	26¼	26½	26½
Pancdn Petlm	30	29½	29.80	29.70
Petro Cda	24	23.65	23.70	23.90
Placer Dome	24¼	23.45	24¼	23.45
Poco Petlm	15	14.80	14.90	14¾
Potash Sask	113.45	112	113.45	112.45
Renaissance	43	42	42.30	42.20
Rio Algom	36¼	36.10	36.15	36.30
Rogers Cantel B	25	24¾	24¾	24.80
Seagram Co	57¼	56½	56.60	56.80
Shell Cda A	59.20	58	59	58.45
Suncor	36.60	35.85	36.40	35.60
Talisman Eny	47.20	45¾	46½	45.60
Teck B	32	31	31.10	30.70
Teleglobe	43½	43.35	43.35	43.40
Telus	24.65	24.45	24.65	24½
Thomson	32.35	31.70	32¼	31.80
TorDom Bank	42.85	42.15	42½	42.55
Transalta	16	15.85	15.90	15.90
TransCda Pipe	28.10	27.60	27.90	27.60
Trimark Finl	55.35	54.90	55½	54.60
Trizec Hahn	30	29.80	29.80	29.95
TVX Gold	8.65	8.35	8.60	8.35
Westcoast Eny	25.20	25	25.05	25
Weston	90	89	90	90

Vienna
ATX index: 1306.92 — Previous: 1304.17

	High	Low	Close	Prev.
Boehler-Uddeh	965	940	953.50	960.10
Creditanst Pfd	490.80	480.30	480.70	491.80
EA-Generali	3050	3010	3045	3040
EVN	1757	1706	1732	1718.60
Flughafen Wien	526.70	520	523	520
OMV	1579	1549	1579.90	1585
Oest Elektriz	898	877	888.50	883
VA Stahl	562	549.10	557	553
VA Tech	2142	2116.25	2142	2123
Wienerberg Bau	2560.35	2520	2545	2500

Wellington
NZSE-40 index: 2362.78 — Previous: 2357.09

	High	Low	Close	Prev.
Air N Zeald B	4.25	4.23	4.25	4.25
Brierly Invt	1.37	1.36	1.37	1.35
Carter Holt ord	3.53	3.48	3.52	3.52
Fletch Ch Bldg	4.06	4.00	4.00	4.05
Fletch Ch Eny	4.47	4.40	4.43	4.38
Fletch Ch Forst	1.97	1.96	1.97	1.96
Fletch Ch Paper	3.40	3.38	3.39	3.42
Lion Nathan	3.68	3.62	3.62	3.70
Telecom NZ	7.10	7.00	7.08	7.01
Wilson Horton	N.T.	N.T.	N.T.	11.80

Zurich
SPI index: 3327.99 — Previous: 3313.71

	High	Low	Close	Prev.
ABB B	2060	2029	2056	2029
Adecco B	521	516	518	521
Alusuisse R	1406	1394	1396	1396
Ares-Serono B	2110	2089	2090	2120
Atel R	872	871	872	875
Baer Hdg B	1980	1968	1978	1974
Baloise Hdg R	3265	3240	3265	3245
BK Vision	1114	1105	1114	1110
Ciba Spec Chem	136.50	134.50	135.25	134.75
Clariant R	928	904	926	909
Crd Suisse Gp R	196	190	194.25	193.25
Elektrowatt B	541	540	541	541
Ems-Chemie	6460	6350	6395	6325
ESEC Hdg	4800	4650	4780	4630
Holderbank B	1320	1296	1316	1322
Liechtenst LB B	486	486	486	486
Nestle R	1827	1806	1810	1820
Novartis R	1989	1971	1985	1987
Oerlikon Buehl R	169	166	169	165.50
Pargesa Hld B	1815	1775	1805	1807
PharmVisn B	826	817	825	819
Richemont A	2043	2015	2035	2010
Pirelli PC	251	243	251	243
Roche Hdg PC	13260	13115	13155	13160
SBC R	357.50	357.50	359.50	355
Schindler PC	1825	1820	1820	1825
SGS B	3160	3090	3150	3250
SMH B	884	868	883	870
Sulzer R	1195	1181	1190	1190
Swiss Reins R	1974	1935	1974	1952
Swissair R	1466	1445	1454	1458
UBS B	1613	1587	1610	1591
Winterthur R	1210	1180	1210	1190
Zurich Assur R	537	533	534	533

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	166.30	+0.65	+0.39	+11.51
Regional Indexes				
Asia/Pacific	125.13	+0.10	+0.08	+1.38
Europe	173.49	+0.93	+0.54	+7.62
N. America	192.22	+0.97	+0.51	+18.72
S. America	155.53	-0.11	-0.07	+35.92
Industrial Indexes				
Capital goods	202.23	+1.85	+0.92	+18.32
Consumer goods	186.67	+0.66	+0.35	+15.64
Energy	196.97	+0.29	+0.15	+15.38
Finance	124.33	+0.67	+0.54	+6.76
Miscellaneous	167.91	-0.88	-0.52	+3.79
Raw Materials	181.70	+0.27	+0.15	+3.60
Service	158.17	+0.44	+0.28	+15.18
Utilities	143.14	+0.05	+0.03	-0.22

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Compiled by Bloomberg News.

NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

WAS IT THOSE HEADY

VANILLA-SCENTED DAYS IN TAHITI?
OR JUST SOME STRANGE MAGIC IN
THE WOODWORK OF RAFFLES HOTEL?

Either way, when Signor Gambicini and his bride-to-be ended their world tour in Singapore, they approached the concierge with an urgent request. They absolutely, definitely, simply had to be married before the end of the week. One glance at the bonfires raging in those dark Mediterranean eyes and the concierge knew that here was a passion that would brook no denial. "I'll attend to it," he murmured. And then, whilst summoning up his strength to maintain the calm composure for which he was famous, he launched into a spate of frenetic activity. Phone calls were made to Milan, London and Paris. Guest lists drawn up. Air tickets arranged. Even a church was found in Singapore with an Italian speaking priest. Cupid himself could not have done better. So, finally, as the last peal of wedding bells faded on the evening air, a question was put to the redoubtable concierge. Did these tireless ministrations of the past week indicate the presence of a romantic streak lurking beneath that carefully composed exterior? The concierge considered for a moment, then casually flicked a sliver of confetti from his tunic. "Let's just say," he smiled, "that I'm a great fan of Luciano Pavarotti."

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Continued on Page 18

INTERMARKET Starts on Page 4

هكذا من الأصل

Pipeline Waits on the Taleban

By Steve LeVine
New York Times Service

TASHKENT, Uzbekistan — When the militant Islamic movement known as the Taleban expanded into northern Afghanistan, some Western energy executives allowed themselves a slim hope that the way was finally clear for an export pipeline from this energy-rich region to the growing markets of Asia.

Two oil and gas giants — Unocal Corp. of the United States and Bridas Energy Corp. of Argentina — have been in unusually bitter competition over proposals to build the 1,400-kilometer (875-mile), $2 billion natural gas pipeline from Turkmenistan through Afghanistan to Pakistan.

But the Taleban has suffered a sudden setback and industry experts see the chance of persuading institutions like the World Bank to finance a pipeline as elusive as ever.

Still, the energy companies' ambitions in this region illustrate their willingness to make huge bets and wait out political turmoil in hopes of a big payback.

Indeed, in a recent interview, Unocal's president, John Imle Jr., argued that his company had thrived taking political risks in such places as Thailand and Indonesia before others would and that the proposal for a pipeline through Afghanistan was just one more gamble. "I'd like to call this pattern recognition," Mr. Imle said in Turkmenistan's capital of Ashkhabad. "If skepticism were a problem, this industry wouldn't exist."

The most recent setback to hopes for a pipeline came after Taleban forces were driven this week from the northern city of Mazar-i-Sharif, not far from the Uzbek border, just days after the Islamic militants seemed on the verge of unifying Afghanistan.

The World Bank and other international financial institutions consider such nationwide authority — in addition to peace — a prerequisite to loans for the trans-Afghan pipeline proposed in competing plans by Unocal and Bridas.

"At least for a few hours, a lot of people were hopeful," said a U.S. official in Washington, who spoke on condition of anonymity. "If you have one government controlling virtually all the country, both commercial banks and international financial institutions would have been likely to get involved. Now it's back to square one."

Both Unocal and Bridas describe the pipeline project in grand terms: the energy would supply an expanding Pakistani market and, if regional diplomacy is successful, feed an even larger demand in India.

Unocal speaks even more ambitiously, proposing a parallel, 1,600-kilometer, $2.7 billion oil pipeline to Pakistan's Arabian Sea coast. Unocal and its Saudi partner, Delta Oil Co., promote the line as a way to channel oil from as far away as western Siberia to Asian customers.

Yet, the companies have produced few believers. Indeed, many bankers and U.S. officials say that if anything comes of the proposals, it will not be for years into the next century.

Such skepticism begins with the setting for the projects. The pipelines would start in the desert of Turkmenistan, which, although it has the world's fifth-largest natural gas reserves and a population of just 4 million, has largely floundered economically.

Most of the problem is the fault of Russia, which has choked off Turkmenistan's natural gas exports to Europe and cost it about $2 billion a year in hard currency earnings.

Critics, however, say that Turkmenistan's president, Saparmurat Niyazov, is also to blame for adopting market reforms at a snail's pace.

Diplomats say the authorities in Turkmenistan routinely insist on renegotiating terms of consummated contracts or sometimes sign similar agreements with two different Western companies.

Unocal's entry into Turkmenistan is instructive.

When Mr. Imle visited in July 1995, among the gems a delighted Mr. Niyazov offered was an offshore oilfield called Chelikan I. The field was already under contract to another U.S. company, Oil Capital Ltd., but Mr. Niyazov contended that Oil Capital was in default. Unocal did not seek the field.

NYT

The president went on to suggest the pipeline project, even though he had previously asked Bridas to do basically the same thing.

The origins of the two companies' proposals are the center of a lawsuit brought by Bridas in a Texas court against Unocal.

The bulk of the political risk, however, is in Afghanistan, through which 836 kilometers of the natural gas pipeline and 675 kilometers of Unocal's oil pipeline would pass.

The rout of the Taleban this week and fresh fighting on several fronts have had a great impact on the project.

"From the oil and gas point of view," said Robert Ebel, director of energy and national security at the Center for Strategic and International Studies in Washington, "this has to be viewed as a setback."

China Buys Oil Firm in Kazakstan

$4 Billion Deal Aims To Bolster Supplies

Compiled by Our Staff From Dispatches

BEIJING — China's petroleum monopoly will pay more than $4 billion for Kazakstan's top oil company, the Xinhua news agency reported Thursday, the biggest deal in a string of recent overseas investments aimed at offsetting dwindling domestic oil supplies.

China National Petroleum Corp. beat bids by the American giants Texaco Inc. and Amoco Corp. and Yuzhimost of Russia to buy 60 percent of Aktyubinskneft, which is based near the border with the oil-rich Chinese province of Xinjiang.

The vice president of CNPC, Wu Yaowen, was quoted as saying that it plans to double within three years the Kazak company's production of 50,000 barrels a day.

But some analysts said the deal, which calls for a 3,000-kilometer (1,875-mile) pipeline into Xinjiang, would merely add to the surplus of oil in the province.

"Xinjiang already has more than enough oil, which China is trying to transport to the east," said Kang Wu, a U.S.-based Asia-Pacific energy analyst. "The pipeline project is a little remote at the moment. It could take a long time to realize."

Beijing is seeking overseas supplies to balance a projected annual shortfall by 2000 of as much as 30 million metric tons of crude. China produces about 3 million barrels of oil a day and imports 400,000 barrels a day, about 15 percent of the crude it uses.

China National Petroleum signed two other agreements this week: a $240.7 million contract to develop two oil fields in Venezuela and a $1.26 billion deal to develop the Ahdab oil field in southern Iraq.

Oil Minister Amir Mohammed Rashid of Iraq did not say whether work at Ahdab would begin before the seven-year-old UN trade embargo his country was lifted.

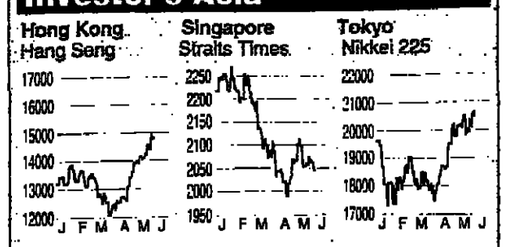
(Bloomberg, Reuters)

■ China Signs Up With Agip

Agip SpA of Italy and China National Petroleum signed an agreement to form an oil-and-gas joint venture, news agencies reported.

The pact was signed during a visit by Prime Minister Romano Prodi. The new company, Chinagip Overseas Petroleum BV, will be based in the Netherlands. *(AFP, AFX)*

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,795.52	14,831.58	-0.24
Singapore	Straits Times	2,043.71	2,047.89	-0.20
Sydney	All Ordinaries	2,604.20	2,615.90	-0.45
Tokyo	Nikkei 225	20,488.15	20,611.56	-0.60
Kuala Lumpur	Composite	1,108.84	1,119.28	-0.93
Bangkok	SET	548.05	552.87	-0.87
Seoul	Composite Index	765.67	783.25	+0.32
Taipei	Stock Market Index	8,231.30	8,282.91	-0.62
Manila	PSE	2,778.44	2,796.11	-0.63
Jakarta	Composite Index	691.98	693.54	-0.22
Wellington	NZSE-40	2,362.76	2,357.03	+0.24
Bombay	Sensitive Index	3,873.85	3,861.42	+0.32

Source: Telekurs — International Herald Tribune

Very briefly:

• **Apple Computer Inc.** will close a plant that makes printed circuit boards and lay off 250 workers in **Singapore** as part of a global restructuring.

• **Nippon Credit Bank Ltd.** said 33 Japanese banks and life insurers, led by **Nippon Life Insurance Co.**, would buy 167 billion yen ($1.4 billion) in new common shares. Meanwhile, **Bankers Trust Co.**, a U.S. bank that is helping Nippon Credit pay off debt, will buy the overseas assets of the Nippon Credit unit **Crown Leasing Corp.** for 75 billion yen.

• **Sing Tao Holdings Ltd.**'s shares dropped 2.5 percent after six of its executives or former executives were arrested by Hong Kong's anti-corruption agency on suspicion of circulation fraud. The six were released on bail.

• **Kia Motors Corp.** of South Korea said it was considering suing **Samsung Group** for critical comments attributed to a Samsung researcher in a report leaked to a Seoul newspaper.

• **China** announced further steps to control its volatile stock markets by banning commercial banks from using their funds to engage in securities trading.

• **China Everbright-IHD Pacific Ltd.**, a Beijing-backed investment company, raised 1.9 billion Hong Kong dollars ($245.4 million) to try to give international investors their first stake in a Chinese bank. The company has bid to buy 20 percent of **Everbright Bank** of China. *Bloomberg, Reuters, AFP*

Australia Slows Cuts in Auto Duties

Reuters

CANBERRA — Australia, fighting chronic unemployment and a recession in its manufacturing sector, slowed its pace of car-tariff reductions Thursday but said it remained committed to an ambitious Asia-Pacific free-trade pact.

Prime Minister John Howard said car-import tariffs would be frozen at 15 percent from 2000 and cut to 10 percent in January 2005. He said he remained committed to obligations to cut trade barriers to zero by 2010 under the Asia-Pacific Economic Cooperation forum's trade agreement.

Carmakers welcomed Mr. Howard's plan, calling it a sensible measure creating stability for their future investment and saving jobs.

Asahi and BHP Leaving Foster's

Compiled by Our Staff From Dispatches

MELBOURNE — Foster's Brewing Group Ltd. said Thursday it would pay $468 million to buy back the 13 percent of its shares held by Asahi Breweries Ltd. of Japan, and Broken Hill Pty. said it would sell its 36.5 percent stake in the brewer.

"This is indeed a watershed in our corporate history, the re-emergence of a strong, independent Foster's Brewing Group," Ted Kunkel, the brewer's chief executive, said.

Asahi has been a shareholder in Foster's for seven years, and BHP has been involved with the company for more than a decade as a result of what was seen at the time as a defense against a possible takeover by the late Robert Holmes a Court's Bell Group in 1986.

BHP said it was selling 616 million Foster's shares — 86 percent of its stake — at 2.49 Australian dollars ($1.89) each to an investment bank and an Australian stockbroker whom it declined to identify and the rest to BHP shareholders. Foster's also is paying 2.49 dollars a share for the Asahi stake. The brewer's stock fell 3 cents in Sydney trading to close at 2.63.

(AP, Bloomberg)

Dai-Ichi Executives Arrested in Loan Scandal

Compiled by Our Staff From Dispatches

TOKYO — Dai-ichi Kangyo Bank Ltd. apologized Thursday for its involvement in a payoff scandal as authorities arrested three executives and a former managing director on charges that they had lent millions of dollars to a reputed gangster.

The arrests of Tatsuo Shibuya, director of the general-affairs department; Hiroshi Inotsume, who was a managing director and former head of general affairs before leaving the bank; Takushi Manabe, deputy manager of general affairs, and Michiyoshi Kusajima, a former deputy manager of general affairs, were the first to involve bank employees since prosecutors began investigating loans to Ryuichi Koike, the reputed gangster, that he used to buy shares in Nomura Securities Co. The four were arrested on suspicion of having broken the law by lending money without collateral.

(Reuters, Bloomberg)

Comision Ejecutiva Hidroelectrico del Rio Lempa ("CEL")

Autonomous Public Service Institution of The Republic of El Salvador

Considering

I. That CEL is the owner of the share capital of the following companies: Compañia de Alumbrado Electrico de San Salvador, S.A. de C.V. (CAESS, S.A. de C.V.), Compañia de Luz Eléctrica de Santa Ana, S.A. de C.V. (CLESA, S.A. de C.V.), Distribuidora de Electricidad del Sur, S.A. de C.V (DELSUR, S.A. de C.V.), and Empresa Electrica del Oriente S.A. de C.V. (EEO S.A. de C.V.),

II That in accordance with Legislative Decree No. 1004, dated the seventeenth of April of 1997, and published in the Diario Oficial No. 76, Volume 335, dated twenty-ninth of the same month and year, CEL is enabled to transfer the shares which represent the share capital of the above-mentioned companies,

Therefore

In accordance with Article Three of Legislative Decree No. 1004.

We inform

That following the third publication of this announcement, will begin the process for the sale of shares that are the property of CEL and which represent the share capital of Compañia de Alumbrado Electrico de San Salvador, S.A. de C.V. (CAESS, S.A. de C.V.), Compañia de Luz Eléctrica de Santa Ana, S.A. de C.V. (CLESA, S.A. de C.V.), Distribuidora de Electricidad del Sur, S.A. de C.V. (DELSUR, S.A. de C.V.), and Empresa Eléctrica del Oriente S.A. de C.V. (EEO S.A. de C.V.).

6th June, 1997
Second Publication

THE INTERMARKET +44 171 420 0348

GENERAL

THE INTERMARKET Starts on Page 4

Personals

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world now and forever. Sacred heart of Jesus pray for us, Saint Jude, worker of miracles, pray for us. Saint Jude, helper of the hopeless, pray for us. Amen. Say this prayer nine times a day, by the ninth day, your prayers will be answered. It has never been known to fail. Publication must be promised. N.S.A.

THANKS TO SAINT JUDE FOR PRAYER ANSWERED. A.F.

Announcements

BAREME AS 24
AU 5 JUIN 1997
Prix Hors TVA en devise locale
(traduction disponible sur demande)
Remplace les baremes antérieurs

FRANCE (zone C) en FFR - TVA 20,6%
GO: 3,70 FOD*: 2,24
SCSP: 5,41 SCSP: 5,22

UK en £ - TVA 17,5% (limit 3%)
GO: 0,5254 FOD*: 0,3478

ALLEMAGNE (zone I) DMR - TVA 15%
ZONE I - G :
GO: 1,08
ZONE II - I :
GO: 1,05 SCSP: 1,45
ZONE III - F :
GO: 1,03 SCSP: 1,41
ZONE IV - F :
SCSP: 1,39
ZONE IV - G :
GO: 1,05 FOD: 0,61

BELGIQUE en FBR - TVA 21%
GO: 22,67 FOD: 10,86
SCSP: 33,22 SCSP: 31,24

HOLLANDE (zone2) NLGR - TVA 17,5%
GO: 1,248 FOD: 0,795
SCSP: 1,736 SCSP: 1,253

LUXEMBOURG en LUFR - TVA 15%
GO: 18,13

ESPAGNE (zone A) en PTASR-TVA 16%
GO: 88,53
SCSP: 101,86 SCSP: 99,24

* Usage agricole

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▫ Cranes International Ltd $ 114.25
▫ Kenyan Int Ltd $ 101.29
▫ Pulsar (Asset) Ltd $ 139.23

006 AEB WORLDFOLIO MUTUAL FUNDS
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▫ $ Money Income DM 1.00
▫ $ Bond Income $ 20.66
▫ Aust - $ Bonds Ptas 31.32
▫ Global Equities $ 24.49
▫ Global Balanced $ 24.53
▫ Global Equities $ 27.49
▫ Continental Europe Equities $ 35.75
▫ US Agressive Equities $ 35.75
▫ European Equities $ 17.10
▫ Pacific Equities $ 14.31
▫ Natural Resources $ 10.97
▫ Asia Growth Co $ 16.23
▫ Emerg Market Debt $ 16.51

007 AIG ASSET MANAGEMENT Ltd
▫ AIG Global Arbitrage Fd $ 62.3826
▫ AIG Asia Emerg Mkts Fd $ 96.5893
▫ AIG Balanced World Fd $ 140.3143
▫ AIG Fr NetCast & Af Em MA $ 99.5618
▫ AIG Euro Small Co Fd Plc $ 208.7135
▫ AIG Japan Fund $ 69.2497
▫ AIG Japan Small Cos Fd $ 10.58
▫ AIG Latin America Fd Plc $ 184.6929
▫ AIG Southeast Asia Sm Cos $ 109.7616
UBZ Euro-Optimizer Fund Ecu 15 995
▫ UBZ Liquidity Fund $ 1 251.4626
▫ UBZ Liquidity Fund DM DM 140.1435
▫ UBZ Liquidity Fund Ecu Ecu 143.9734
▫ UBZ Liquidity Fund Sfr Sfr 122.1028

008 ALBATROS PERFORMANCE FUND
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▫ Albatros Performance USD $ 21268.74

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▫ Consultatio Lat Am A(Apr30) $ 130.55
▫ Globenvest Value (Apr30) $ 205.89
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▫ Stand Poc Cap Offsky/Apr30 $ 191.44
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▫ GAM Singapore/Malaysia $ 790.58
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▫ GAM Trading DM DM 179.39
▫ GAM Trading II $ 223.05
▫ GAM Trading II DEM CI DM 180.02
▫ GAM Trading II STG CI $ 1 1 1.01
▫ GAM Trading II USD CI $ 214.23
▫ GAM UK $ 521.17
▫ GAM US $ 497.51
▫ GAM Universal US$ $ 1 1 1.01
▫ GAM Worldwide $ 614.22
GAMerica $ 665.25
GAMsia Investments $ 1 1 1.01
GSAM CHF Composite $ 129.33
GSAM Composite $ 465.08
GSAM DM Composite DM 1 1 1.01
GSAM GBP Composite $ 102.84
GAMSAM Omega Pd Inc $ 102.59
GSAM Money Mkts $ 1 1 1.01
GSAM Money Mkts DM DM 100.88
GSAM Money Mkts SF $ 1 0 0.37
GSAM Money Mkts US$ $ 1 1 1.01
GSAM Money Mkts SFr $ 1 1 1.01
SWISS REGISTERED FUNDS 41-1-422 2626
Multichoice/Strata 12CH 8004 Zurich
▫ GAM (CH) Fund SFr 138.20
▫ GAM (CH) Monetal SFr 250.40
▫ GAM (CH) Trend SFr 722.80
IRISH REGISTERED UCITS
I Gaapler's Dock, Dublin 1,353-1-6702070
▫ GAM Asia Acc DM 106.45
▫ GAM Europe Acc DM 199.55
▫ GAM Orient Acc DM 190.27
▫ GAM Trading Acc DM 210.40
▫ GAM Total Bond DM Acc DM 134.54
▫ GAM Universal DM Acc DM 296.74
SEC REGISTERED FUNDS
Internet http://www.usbnk.com
135 East 57th Street,NY 10022,212-888-4200
▫ GAM Europe SF 13.15
▫ GAM Global A $ 16.47
▫ GAM Global D $ 16.31
▫ GAM International A $ 24.70
▫ GAM International D $ 24.48
▫ GAM Japan Capital $ 10.85
▫ GAM North America $ 14.64
▫ GAM Asian Capital $ 10.85
▫ GAM Pacific Basin A $ 16.63
▫ GAM Pacific Basin D $ 16.41
GAMerica Capital $ 11.24

077 GLOBAL CAPITAL MANAGEMENT LTD
Bermuda:(441) 295-1422 Fax:(441) 295-4759
WH GLOBAL ADVISORS LTD
▫ (A) Original Investment $ 197.35
▫ (C) Financial & Metals $ 222.03
▫ (D) Diversified Diversified $ 171.61
▫ (F) G7 Currency $ 121.21
▫ (G) Intl Currency & Bond $ 120.83
▫ (J) Global Financial $ 140.75

078 GLOBAL FUTURES & OPTIONS SICAV
▫ FFM Int'l Bd Progr-CHF Cl SF 79.61

079 GORDON HOUSE ASSET MNGT
▫ Optimal Fund $ 6.49

080 GOTTEX FUND MANAGEMENT
▫ G. Swed Fund Ecu 1068.13

081 GRANITE CAPITAL INTL GROUP
▫ Granite Capital Equity Fd $ 1721.53

082 GROUPE INDOSUEZ FUNDS 84/04/97
Tel: 33 (0) 1 46 84 74 79
Fax: (33) 1 46 84 74 23
BOND PORTFOLIOS
▫ DEM Bond Dis 5.94 DM 8.94
▫ Riverbond Dis 2.80 SF 2.82
▫ Dollar Bond Dis 2.33 $ 2.78
▫ Ecu Bond Fund Dis 6.23 Ecu 1.78
▫ French Franc Dis 10.48 FF 14.50
▫ Global Bond Dis 2.36 $ 3.80
▫ Pacific Income $ 1176.00
▫ Yen/Euro Peseta Bond Ptas 300.00
EQUITY PORTFOLIOS
▫ ASEAN $ 7.35
▫ Asia Pacific $ 5.47
▫ Continental Europe Ecu 2.52
▫ Developing Markets $ 3.78
▫ Eastern Europe $ 1.94
▫ France FF 14.51
▫ Germany DM 8.36
▫ International $ 3.29
▫ Italy Lit 1337.00
▫ Japan ¥ 243.00
▫ Japan Smaller Companies ¥ 2.01
▫ Latin America $ 4.59
▫ North America $ 2.00
▫ North America Smaller Cos $ 4.28
▫ Spain Ptas 410.00
▫ Switzerland SFr 6.26
▫ United Kingdom £ 2.04
RESERVE FUNDS
▫ DEM Dis 3.8 DM 6.956
▫ Dollar Dis 2.161 $ 2.581
▫ French Franc FF 1.153
▫ Sterling Reserve £ 1.044
▫ Yen Reserve ¥ 288.5

083 GRYPHON FUND MANAGEMENT LTD
▫ Gryphon Bond Fund Ltd $ 95.23
▫ Mastercastle Fund Ltd $ 99.49

084 GUINNESS FLIGHT
(44)(0)81 742 7788 FAX 81 8294
▫ GSF Managed Currency $ 36.59
▫ GSF Global Bond $ 34.47
▫ GSF Global High Inc Bond $ 20.73
▫ GSF Euro High Inc. Bond $ 19.63
▫ GSF Gilt & Sterling Bond $ 18.97
▫ GSF Asian Currency & Bd $ 22.72
▫ GSF Global Equity $ 124.59
▫ GSF American Blue Chip $ 47.61
▫ GSF Japan & Pacific $ 127.44
▫ GSF European $ 184.71
▫ GSF Hong Kong $ 92.36
▫ GSF Japan $ 85.88
▫ GSF Gbl Privatisation Fd $ 20.90
▫ GSF Asian $ 31.14
▫ GSF Asian Smaller Cos $ 24.77
▫ GSF Global Bd Growth $ 25.77
▫ IAF US Dollar High Yld Bd $ 14.89
▫ IAF Int'l Balanced Growth $ 42.23

204 HAMBRO-SPINNER RENAISSANCE FD
▫ Comp Inv Shares $ 20.065

084 HASENBICHLER ASSET MANGT Gesmbh
▫ Hasenbichler Cons AG $ 9636.00
▫ Hasenbichler Div $ 1190.00
AFFT $ 1696.00

087 HERMES ASSET MANAGEMENT LTD
Bermuda: (809)295 4000, Lux: (352)40646-215
Prod Prices on 22864497
▫ Hermes World CHF Fund SF 498.73
▫ Hermes World US$ Fund $ 497.54
▫ Hermes European Fund Ecu 439.36
▫ Hermes North American Fd $ 429.93
▫ Hermes Asian Fund $ 243.00
▫ Hermes Emerg Mkts Fund $ 1 0 6.60
▫ Hermes Sterling Fund £ 623.51
▫ Hermes Hedged Fund $ 143.76
▫ Hermes Global Fund $ 218.15
▫ Hermes Global Fund Ecu 1497.74
▫ Hermes Sterling Fd £ 1 9 8.25
▫ Hermes Gold Fund $ 1 1 1.19
▫ Hermes Balanced Fd $ 1 1 1.19
▫ Hermes US$ Fixed Inc Acc $ 957.81
▫ Hermes GBP Fixed Inc Acc £ 524.66
▫ Hermes Euro Fixed Inc Acc Ecu

195 HIGH YIELD WORLD FUND
▫ U.S. Dollar Portfolio $ 1060.87
▫ Swiss Franc Portfolio $ 1075.21

088 HUTZLER BROKERAGE
▫ Hutzlers P. P. Portfolio $ 1.90

208 IIC CAPITAL MANAGEMENT LTD
▫ Privatvalor $ 3.06

089 INCOME PARTNERS ASSET MGT (HK) LTD
Suite 1901, Chinaking First Bank Centre,
1 Duddell Str, HK
Tel: (852) 2869 0186 Fax: (852) 2869 0991
▫ Asia Pac Inc Ser 2 $ 11.266
▫ Asian Comms. Bd Fd Series II $ 10.340
▫ Asian Convert Bond Fd $ 12.943
▫ Asian Dynamic Income Fund $ 10.277
▫ Asian Fixed Income Fd $ 14.254
▫ Asian Growth Fund $ 11.378
▫ Greater China High Yield Fd $ 10.017

090 INTERINVEST (BERMUDA) LTD
Tel: (441) 295-5092
▫ Hedge Hog & Conserve Fund $ 10.31
▫ Bridge Global Asset Fd Ltd $ 9.69

091 INVESTMENT INTL LTD., POB 271, Jersey
Tel: 44 1534 51-600/FAX:51-700/FAX 0250
▫ Macdonnell Income Fund $ 0.9600
▫ Income Plus Fund $ 9.4700
▫ Income Managed Pfd $ 2.5700
▫ Premier Markets $ 4.2500
Options Global Strategy $ 19.6300
▫ Global Sector Growth $ 31.4300
▫ Global Currency & Bd $ 0.7900
▫ Nippon Warrant Fund $ 0.4000
▫ Asia Tiger Warrant $ 0.0000
▫ Latin American Fund $ 9.0000

099 INVEST CAPITAL (Tel: +1-441-292-7888)
▫ Investec Capital Premier Ltd $ 29.3700
▫ Investec Capital Inc Ltd $ 245.47

026 FAIRFIELD GREENWICH GROUP
▫ Advanced Leverage Ltd $ 226.4977
▫ Fairfield Int'l Ltd $ 552.90
▫ Fairfield Sentry Ltd A $ 471.20
▫ Dollar Reserve $ 8.9600
▫ European Growth DM 14.5300
▫ European Enterprise DM 18.5800
▫ Global Bond $ 9.4700
▫ European Bond Fund DM 5.7600
▫ Global Emerging Markets $ 9.2100
▫ Global Growth $ 13.0000
▫ Global Leisure $ 7.5400
▫ Greater China Opps $ 12.7900
▫ Nippon Enterprise $ 497.0000
▫ Nippon Growth ¥ 468.0000
▫ North American Growth $ 5.4000
▫ Sterling Reserve £ 6.0000
▫ UK Growth £ 7.9600

092 ITALFORTUNE INTL. FUNDS
▫ Class A (Lagar Growth Fd.) LIt 96517.00
▫ Class B (Global Equity) $ 1 1 4.73
▫ Class C (Global Bond) $ 1 1 1.84
▫ Class D (Eco Bond) Ecu 1 1.39

093 JAMES RIVER CAPITAL CORP.
Cheshire Castle (May 31 Est) $ 4696.00
III Fund Ltd. (May 31 Est) $ 1744.00
III Global Ltd (May 31 Est) $ 1726.00
III Global Fund Ltd (May 31 Est) $ 1447.00
Shielland Fd Ltd (May 31 Est) $ 1304.00
Stonehenge (May 31 Est) $ 2226.00

094 JARDINE FLEMING , SPD Box 11448 Hg Kg
▫ JF ASEAN Trust $ 18.77
▫ JF Per Eqty Wrnt Tr $ 15.24
▫ JF Pacific Cash Tr $ 15.19
▫ JF Hong Kong Trust $ 27.56
▫ JF Japan Sm. Co Tr. ¥ 36444.00
▫ JF Japan Trust ¥ 11960.00
▫ JF Portfolio Trust $ 22.37
▫ JF Pacific Inc. Tr $ 15.27
▫ JF Thailand Trust $ 22.11

095 JULIUS BAER GROUP
▫ Bonviband SFr 953.76
▫ Contax SFr 2281.77
▫ Gotebeer Europe SFr 3830.84
▫ Gotebond SFr 3872.76
▫ Swissbox SFr 5812.86
▫ Liquibaer $ 2611.22
▫ Europe Bond Fund Ecu 197.52
▫ Special Swiss Stock SFr 181.86
▫ Japan Stock Fund ¥ 10360.00
▫ German Stock Fund DM 190.00
▫ Special German Stock DM 1 49.31
▫ Swiss Franc Cash SFr 1310.30
▫ DM Cash DM 1472.48
▫ ECU Cash Fund Ecu 1483.67
▫ Sterling Cash Fund £ 1316.16
▫ Dollar Cash Fund $ 1 2 8 4.1 1
▫ French Franc Cash FF 1 2 8 3.91
▫ Emerging Mkts Bond $ 1 0 2.01
▫ Global Opportunity Fd $ 1 0 2.85

096 JYSK INVEST C/o JYSKE BANK DENMARK
Tel (45) 33 78 78 01 Fax (45) 33 78 78 11
▫ J.B. Dollar Fund $ 1.4865
▫ J.B. Euro-Fund DKK 151.95
▫ J.B. German Bond Fd DM 130.40
▫ J.B. Danish Fund DKK 1 5 1.00
▫ J.B. Spanish Bond Fd Ptas 13610.00
▫ J.B. Japan Fund Spk 1 3 7.40
▫ J.B. Dollar (USD) Bond Fd $ 107.60
▫ J.B. Euro Short Term Fd DM 104.88
▫ J.B. Danish Equity Fd DKK 1 5 1.00
▫ J.B. Int'l Equity Fd $ 150.10
▫ J.B. Emerg Mkts Eq Fd $ 109.70
▫ J.B. Int'l Bond Pd DKK 1 7 1.00
▫ J.B. International Bond Fd Dkk 169.55

097 KEY ASSET MANAGEMENT INC
c/o Furman Selz. Debbi Tel 353 1 679 7924
▫ Key Asia Fund $ 117.39
▫ Key Global Hedge $ 229.36
▫ Key Hedge Fund Inc. $ 206.00
▫ Key Opportunity Value $ 184.48
▫ Key Strategic Fund $ 131.00

098 KI PACIFIC ASSET MANAGEMENT INC
▫ KI Asia Pacific Fund $ 12.01z

099 LEHMAN BROTHERS 04/06/97
▫ Lehman Cor Adv A/B $ 8.54
▫ Multi Strategy Fd II NV B $ 15.26
▫ Multi-Strategy Fd II NV A $ 5.49
▫ Multi-Strategy Fd NV A $ 14.18
▫ Multi-Strategy Fd NV B $ 13.40
▫ Premier Series Adv A/B $ 1.42

100 LIBERAL B.A.S. FUNDS
Tel : 55 21 212 4078 Fax : 55 21 262 7258
▫ ALM. I.S. Fund $ 1224.85
▫ F.I.L.M. I. Fund $ 1131.96
▫ F.I.L.M. II Fund $ 1115.14
▫ F.I.S.T. I Fund $ 1127.22
▫ F.I.S.T. I Fund $ 1619.89
▫ F.I.S.T. II Fund $ 1127.21
▫ S.T.I.B. Fund $ 1427.26
▫ S.T.I.B. Fund $ 1696.77

101 LIPPO INVESTMENTS
Tel no.: (62)(21) 521-2972/73
Fax no.: (62)(21) 521-2977
▫ Java Fund $ 8.49
▫ IDR Money Market Fd $ 10.81
▫ Indonesian Growth Fd $ 21.35

102 LLOYD GEORGE MNGMT (BSI) 2845 4433
▫ LG Arabesq Fund $ 20.34
▫ LG Asset Trading Co Fd $ 20.7942
▫ LG India Fund Ltd $ 7.63
▫ LG Korea Fund Plc $ 5.762

103 LLOYDS BANK INTL (BAHAMAS) Ltd
▫ Lloyds Equity Portfolio $ 12.45

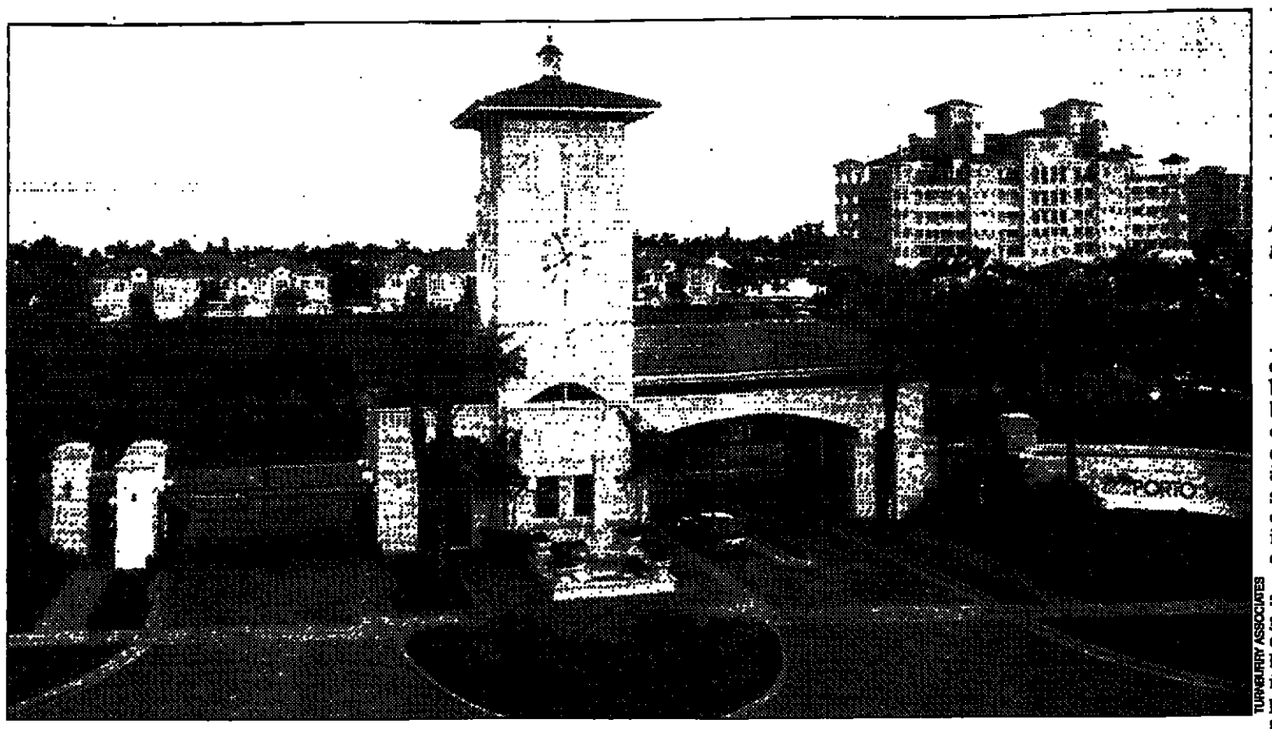
104 LOMBARD, ODIER & CIE - GROUP
▫ LO Swiss S & M Corp CHF CHF 267.79
▫ LO Swiss Small Cos CHF 213.75

104 LOMBARD ODIER OPPORTUNITY
▫ Switzerland SFr 681.98
▫ Europe SFr 471.39
▫ United Kingdom & Ireland £ 138.38
▫ Germany & Austria DM 472.93
▫ Southern Europe Ptas 1163.76
▫ Scandinavia SEK 197.52

OBLIFLEX LTD (CI)
▫ Blackcurrant Term $ 40.11
▫ Dollar Medium Term $ 29.94
▫ Dollar Long Term $ 25.29
▫ Japan Yen ¥ 5669.00
▫ Pound Sterling £ 24.75
▫ Deutsche Mark DM 22.29
▫ Swiss Franc SFr 20.80
HY Euro Currencies Ecu 21.55
▫ Swiss Franc SFr 15.90
▫ US Dollar Short Term $ 14.93
HY Euro Curr Divid Pay Ecu 12.63
▫ Swiss Multicurrency SFr 20.15
▫ European Currency Ecu 19.15
▫ Belgian Franc Bfr 180.81
▫ Convertible Bond Ecu 20.50
▫ Swiss Franc SFr 1 1.45
▫ Swi

LUXURY REAL ESTATE

Porto Vita, a large new development north of Miami Beach, has attracted local residents, "snowbirds" from the U.S. northern states and foreign buyers who combine business with pleasure. On both sides of the Atlantic Ocean, the luxury real estate market is healthy. Perennial favorite locations, of course, have not lost their luster. In addition, there are new "hot" properties and old ones that are making a comeback.



TURNBURY ASSOCIATES

FOREIGN BUYERS FLOCK TO UNITED STATES' EAST COAST

Even when demand outstrips supply, American property is a bargain. Europeans, Asians and South Americans want a share of the action.

The boom is back. After years of recession and retrenchment, low inflation and a robust stock market are luring buyers back to the real estate market. At the luxury end of the scale, no end is in sight for the boom. Nor is it confined to specific areas of the country.

"We're seeing increases across the board in the United States in almost all markets," says John Weisz, managing director of Jones Lang Wootton Realty Advisors, a worldwide consulting firm.

Mr. Weisz is advising investors to add high-end multifamily units to their portfolios. He says that the condominium market is so strong that it has broken free of the stock market in recent years.

"In general, multiple dwellings are a very favored sector by institutional investors," notes Mr. Weisz, "but we make a distinction between high-end multiple apartments and run-of-the-mill ones. We think the better investment is in the high end." The financial security and mobility of the aging population is another factor driving demand.

"There is a fundamental demographic shift in the United States that favors people 45 and over, who have much more money to spend on housing," he says. "These folks want to simplify their lifestyle"

Downsizing

So-called empty-nesters — owners of large suburban homes from which the children have moved out — usually want a smaller home or apartment and have made so much from the increased sale value of their current home that they can spend quite a bit more for their new home.

"Whether a condo or rental, the demand is driving the market far faster than developers' ability to oversupply the market in the future," says Mr. Weisz.

New York, Mr. Weisz says, is in a category of its own because so many foreigners want to buy property there. Miami is another city that attracts foreigners.

If any markets are showing a slight weakness, they are Sunbelt cities like Phoenix and Atlanta, which built up quickly. "In fast-growing Sunbelt cities, there remains more supply than demand to rent all units," notes Mr. Weisz.

New York is particularly susceptible to fluctuations in the stock market. Currently, Wall Street bonuses are fueling the market to the boiling point. "We don't have the kind of hysteria we had before the stock market crash [of 1987] and the recession," says New York broker Clark Halstead. "This time, it's not investor-driven. This is a period of renaissance in New York: People are hiring; more people want to stay in the city; there are very few new units."

Demand has driven price inflation. The prices of rental apartments got so high that people started to buy studios and one-bedrooms instead of renting them, creating a trickle-up price increase.

"They have a better act now," says Barbara Corcoran, who heads the Corcoran Group at Greenthal Residences. "In the early 1980s, people bought with their hearts; now they're taking the extra step of justifying it with their heads."

Ms. Corcoran also cites the "tremendous shortage of inventory" and the "much greater number of buyers than sellers. In that way, it's exactly like the early '80s."

Co-op vs. condo

In New York, the most exclusive buildings are co-operatives, but these are unpopular with investors and foreign buyers because of their all-cash restrictions and financial-disclosure requirements.

According to Ms. Corcoran, New Yorkers today favor condominiums. One factor is the difficulty of renting a co-op, versus the no-restrictions policy of condos. (A recent court case in which a mixed-race couple successfully sued a co-op for discrimination may change the situation somewhat, but New York co-op boards remain infamously secretive.)

Families are moving into big apartments, says Joyce West, a senior broker at Charles Greenthal & Associates/Greenthal Residences. Empty-nesters and young couples, in contrast, are looking for smaller, well-located apartments.

Condos appeal to empty-nesters and non-New Yorkers who want a pied-à-terre in the city. Trump International Hotel and Tower is one of the few new ultra-luxury residences that is able to capitalize on the preference for a condo. The building also represents the height of another trend — offering hotel-style amenities in an apartment, often by combining the two in one building.

"We can send a private chef, or arrange flowers or a party," says Rudy Tauscher, the building's general manager.

Beauty and the beach

Miami, another market heavily influenced by foreign buyers (with attendant price inflation), tends to be dominated by Latin Americans, who have come out of a prolonged recession of their own.

Developers are advertising their projects heavily in Venezuela and Brazil to meet the pent-up demand of buyers who just recently were allowed to transfer money out of their countries.

The Pinnacle, Porto Vita and Hidden Bay are all huge new developments north of Miami Beach. Buyers range from

Continued on page IV

PICK OF THE LOT IN CENTRAL AND EASTERN EUROPE

Prestige and investment security combine to fuel the market.

Both the demand and supply sides of the market for luxury real estate in Central Europe are bubbling. Largely impelled by money from Russia, the demand for high-priced ski chalets, metropolitan pieds-à-terre and villas of all descriptions is brisk, with none of the softness reportedly being experienced in some other markets.

The supply is equally strong and showing an ever-greater diversity. To give one of many examples, Hamburg's market for high-priced real estate is featuring a new profusion of striking avant-garde and Jugendstil (Art Nouveau) mansions and lofts, the latter being converted factories and harborside warehouses.

Says Alfons Metzger, head of the Vienna-based real estate group of the same name and president of the World Federation of Realtors: "Central Europe's market for luxury real estate isn't undergoing any major changes. We're seeing, rather, a continuation of previous trends."

Referring to the growing supply of property, Mr. Metzger says it is "graphic evidence of how tight public sector and private finances continue to be. The sellers of such property are often city governments looking for a quick fix to improve their revenue situation, or architects and developers forced to raise capital or pay the bills by selling their own homes."

Best panoramas

Hamburg's recent announcement that it would redevelop 100 hectares (247 acres) of its harbor area into a high-end residential, office, tourism and shopping complex illustrates the fundamentals governing the market.

"There are only so many A-1 areas in Central Europe. You can't clone the properties providing panoramas of the Alps or with oceanfront footage. This built-in scarcity of supply has kept the market for luxury real estate relatively strong," says Andreas Kippes, spokesperson for the Bavarian chapter of Ring Deutscher Makler, Germany's association of professional realtors.

This scarcity is due to simple demographic pressure — Germany, Switzerland and Austria are densely populated — as well as ultra-strict zoning laws and restrictions on the ability of foreigners to acquire property (in Switzerland and Austria).

New source

Urban redevelopment thus represents the only source of new luxury real estate. Fortunately for cities like Hamburg, the restored buildings currently have strong appeal for the most powerful purchasers and renters on the market: software and connectivity service providers, and law and accounting firms.

"One of the most interesting trends is how the 'Industrial Age romantic' has become associated with high technology and how banks of computers and other communication devices nestled between red-brick walls and under high ceilings has become one of the most common sights in our better urban quarters, says Hartmut-Manfred Schärf, a well-known architect who is based in Worms.

"There are, of course, eminently practical reasons for this popularity. With their amplitude of space and their ability to support great weights, it's almost as if these 19th-century factories and warehouses were built with the late 20th century in mind," he adds.

Terry Swartzberg

For sale in Switzerland near Berne
SPLENDID 18TH CENTURY COUNTRY HOUSE
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Notter Blatter Davidoff & Partner, Hans Leonz Notter or Dr. Michael Bolt, Schwanengasse 9, 3001 Berne, Phone: +41 31/312 53 12 Fax: +41 31/311 07 49

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ABLEIGES GOLF COURSE
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Please contact. SCP RONZEAU, DURET-PROUX, ALANOU-FERNANDEZ, HAESE. Lawyers in Pontoise (95) 30, rue P. Butin. Tel. +33 (0)1 30 30 34 34
Visits: Friday June 13th, 1997 from 9 to 12 a.m.

REAL ESTATE AUCTION SALE in the Palais de Justice de Nanterre
on Thursday June 19th, 1997 at 2pm, ONE LOT
NEUILLY-SUR-SEINE (92) - TOWNHOUSE
22-24-26, boulevard d'Inkermann, on about 2,700 sq m. grounds, 3 storeys on basement plus attic, approximately 1,648 sq m living space, automobile shed and chapel
STARTING PRICE: FF16,000,000
Contact. Maitre A.M. IAUDON, Lawyer, Barreau des Hauts-de-Seine
27 bis, rue de l'Abreuvoir, 92100 BOULOGNE. Tel. +33 (0)1 48 25 74 14
Maitre Olivier GRISONI, Lawyer, Barreau de Paris
14, avenue du Pt-Wilson, 75116 Paris, Tel. +33 (0) 1 47 23 48 84
Record office of Tribunal de Grande Instance of Nanterre.
Visit of premises with Maître Frédéric NADIAR, bailiff at Neuilly-sur-Seine, 18, av. Charles-de-Gaulle. Tel: (0) 1 40 88 91 91
on Monday June 9 & 16, 1997 9:30 till 11 30 am

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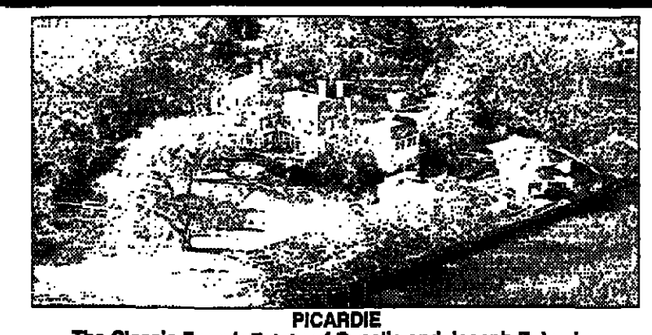

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INDULGING FANTASIES IN PARIS

In this market, views of the City of Light make all the difference.

Buyers of prestigious homes in Paris routinely expect vast living space, superb building quality and a high-profile address. What can really make the difference when it comes to clinching a sale is a panoramic vista across the city, the Seine and famous landmarks like the Sacré-Coeur basilica and the Tuileries Gardens.

"Foreign buyers are coming back to the market, and what they all want is a picture-postcard vignette of romantic Paris," says Philippe Chevalier of the Féau St. Germain agency. The Italians, English, Americans and Swiss are among the most active searchers.

Visit the Marais quarter, for instance, and inspect the arcaded Place des Vosges. Here, you may be able to pick up an apartment in the Pavillion du Roi or the Pavillion de la Reine, which face other from opposite sides of the square across a central garden.

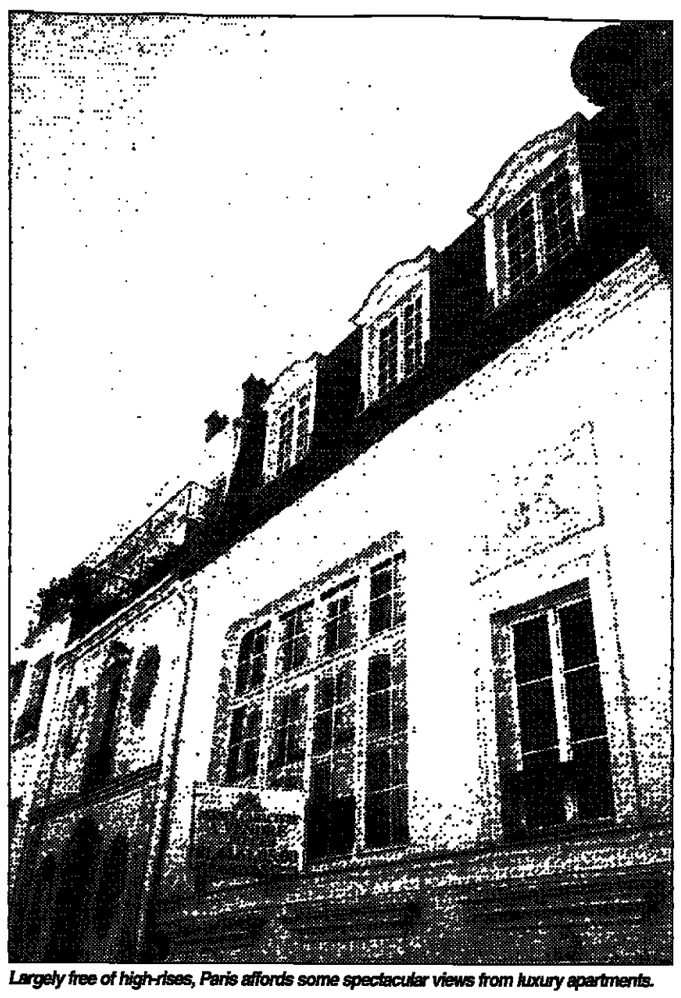
Or you could try for an island apartment on one of the quays of the Ile Saint Louis, with a view of Notre Dame Cathedral and some of the oldest bridges in Paris. At night the floodlights on the *bâteaux mouches* tourist boats will light up the 17th-century façade of your building and add a soft glow to the intricately hand-painted roof beams on your ceiling.

On the steep hillside that commands the western approaches to Paris, the commune of St. Cloud has a select cluster of single-story houses that suggest the sun-beaten expansiveness of 1970s California more than the grand boulevards and jigsaw-puzzle rooftops of the French capital. One of these is for sale by its owner for 12 million French francs ($ 2.2 million).

Look out from the terrace swimming pool or through one of the (almost) ceiling-to-floor windows at dusk. You will enjoy a view that sweeps high above the treetops of the Bois de Boulogne to a sunset showing a silhouette of the Eiffel Tower, as well as the city's domes and other monuments.

Tight building regulations have saved most of Paris from domination by tower blocks. This means that buyers of well-placed luxury apartments only five or six stories from the ground can often obtain spectacular views.

Consider, for instance, the historic Butte Montmartre, the city's highest vantage point. In the last century, it was favored by artists seeking the light. Today, residents include celebrities seeking anonymity.



Largely free of high-rises, Paris affords some spectacular views from luxury apartments.

Restored 18th-century farmhouses climb up a hillside once dotted with small windmills and carelessly fenced vegetable gardens. The 19th-century artist Eugène Boudin — best known for his paintings of sedate Deauville beaches featuring ladies with gauzy parasols — used to live here. His home, complete with atelier, commands vast views across Paris and is on offer at 6.5 million francs (Agence Immobilière Caractère).

Classical tastes

Or maybe your tastes turn to something more classical. In this case, a 400 square meter (4,306 square foot) duplex on the sixth and seventh floors of an ultra-smart 1930s building looking out across the Champ de Mars may be exactly what you are looking for.

The Agence Garcin is offering this property for 25 million francs. The same agency will be delighted to show you a penthouse on the tony Avenue Matignon with 300 square meters of terraces at an offer price of 40 million francs.

Another example is a 330 square meter duplex apartment on the Rue de Rivoli with views across the Tuileries Gardens for 60 million francs (IMF Immobilier).

How about a sumptuous 18th-century private mansion in the Faubourg St. Germain, from which you can look out onto your own walled garden on the ground floor, then climb to the top of the house to admire the view through the dormer windows in your Mansard roof?

The property is being marketed by Daniel Féau Conseil Immobilier-Les Belles Demeures de France. Buy this one and you will follow an interesting line of residents. Previous owners included fashion designer and art collector Hubert de Givenchy and controversial businessman-cum-politician Bernard Tapie.

Michael Rowe

NO STINTING ON SWISS QUALITY

When it comes to luxury, people in this country know how to build it into every detail.

Switzerland has some of the most magnificent scenery in Europe. It also has fine art collections, outstanding restaurants and branches of the world's most luxurious shops. It should come, then, as no surprise that it also has some of the world's finest, most imaginative and highly exclusive private properties.

"Swiss properties have high value because, by and large, they retain their value and are much in demand by individuals who want to be in a crime-free area with good schools, sports facilities and other amenities while, at all times, being close to a major airport," says Denis Burrus of de Rham and Company of Lausanne.

Of course, political and economic stability contributes to the popularity of Swiss property — and to its good value for money, but real estate in Switzerland has always been expensive. Land is precious here, especially building land near municipal areas.

Foreigners have long been attracted to Switzerland as a residence, and the government has instituted strict regulations regarding the purchase of property by non-nationals. Property is available, however, in many resort areas for purchase by foreigners.

The rules regarding purchase in or near cities like Zurich, Basel, Geneva and Lausanne are being reconsidered — especially at the high end of the market.

A dream come true

Nevertheless, for those with the means, dreams can be fulfilled. How about a circular house built in 1802 that has been completely modernized, is set in a 25-acre park and has a gatehouse, stables and farmhouse for staff? Known as La Gordanne, the property overlooks a lake and is but a hop, skip and a jump from Lausanne and only 25 minutes from Geneva airport.

La Gordanne is a classically formal neo-Palladian villa and would be a top choice for any architectural aesthete. Because of its circular construction, many of the rooms are oval-shaped. The central hall climbs three floors to a glass cupola. The cellar houses an oval winter garden and a stunning marble bath suitable for those whose tastes lean toward Roman splendor. Virtually every room has its own fireplace.

Just off a delightful oval morning room is a handsome terrace flanked by Ionic columns. The room overlooks the lake and has views of France and the Alps. There is also a well-kept orangery, and the stables are constructed in a semi-circle.

The price? Well, it is most certainly negotiable, but it would be wise to think in the $10 million range and try not to worry about the cost of upkeep.

The modern, the mountains

Prefer something more modern? How about a stunning, nearly new house set in the countryside with views of the Jura mountains, Lake Geneva and the Alps? The two-story winter garden has a flower-bordered terrace.

The house is built on an open plan, and the entrance hall, dining room, main reception area and staircase all flow into each other.

Fifty guests would hardly make the reception area feel crowded, but there is also a cozy sitting area and a study. Naturally, every bedroom has its own bathroom. There is a separate apartment for staff and garage space for at least four cars.

If you want to live in the mountains, there are few better choices than a residence at Le Hameau in Verbier. This town within a town has some of the world's most luxurious properties, all built in traditional Valais style.

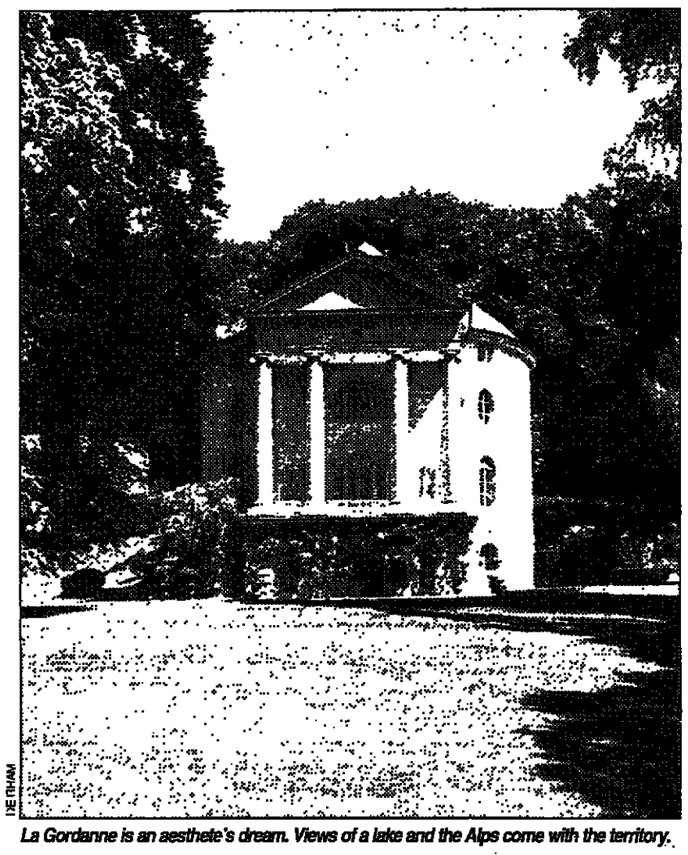
Or you can go to Gstaad, where the Palace Hotel has been building new chalets with apartments overlooking the village. Room service and maid service from the hotel are available. Prices? Well, as J.P. Morgan is said to have replied when asked about the price of a yacht, "If you have to ask, you can't afford it."

Swiss secret: bargains

As in any market, there are, of course, a few bargains to be found. The catch is that they are rarely in municipal areas. In small villages 15 or 20 kilometers (9 to 12 miles) outside of town, you may well find an older property — either in good condition or ready for remodeling — at relatively reasonable prices. Sometimes, large houses are available in these small towns.

The Swiss are not accustomed to long-distance commuting and prefer to live near the workplace, which explains why these out-of-town locations are available.

Barry Edgar



La Gordanne is an aesthete's dream. Views of a lake and the Alps come with the territory.

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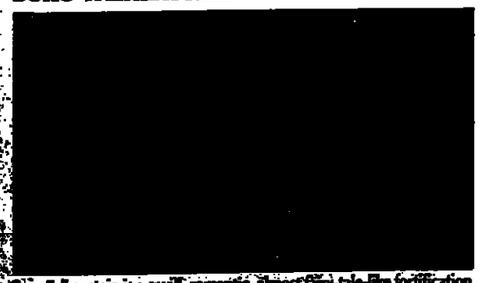
DREAM RESIDENCE, NEAR VIENNA

Only a few highway kilometers, from Vienna, one encounters a truly amazing property with approx. 700 sq.m. floor space. Erected in 1995, it incorporates all the latest technical and high-quality innovations (alarm-system, radiation-proof shelter).

The large galleried entrance hall (atrium) with glazed gable-roof constitutes the heart of this dream villa. Through it, one reaches the winter garden, the terrace and the main reception rooms. On the upper floor to the north, there are rooms totalling 300 sq.m. for multi-purpose usage (offices); in the south wing, there is a suite, and to the west two further separate flats. All flexible combinations are possible. In the attic adjoining the sun-terrace, there is a guest apartment with a wonderful view.
On the ground-floor, arts and sports are uniquely combined: an auditorium seating 140 persons with all ancillary facilities (stage-manager cubicle, green-rooms) and a 180 sq.m. workout area with sauna, steam-bath and cold-dip with waterfall. A massage-room and Roman-style relaxation parlor complete the cosy atmosphere.
Two double-garages, several housekeeping rooms, a separately accessible flat and a 130 sq.m. bathing biotope in a large (approx. 1800 sq.m.), and very well-tended garden contribute to the luxurious character of this property. It is suitable for either private occupancy or for the existing company pattern.
With such a property as this, one can rightly claim that it would today be very difficult, probably impossible, to find anything of comparable quality.
Purchase price: 59,00,000.- ATS

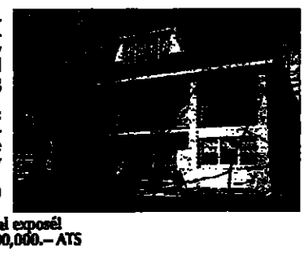
BURG FALKENSTEIN



Burg Falkenstein is a small, romantic, almost fairy-tale-like fortification standing in the glorious panorama of the Mölltal valley at the foot of the Hohe Tauern National Park. It consists of the main building, the fortress tower, fortress walls, the defence galleries, inner courtyard and several ancillary buildings, and is in extremely good condition. The main building has three floors with altogether 245 sq.m. living area and comprises 5 bedrooms, two bathrooms, Knights' Hall (refectory), breakfast room, drawing-room, kitchen, chapel and two storerooms. In the fortress walls, there are two more guest-rooms and other yet-to-be-completed rooms. A large sun-terrace offers a charming view of the valley and the surrounding mountains.
Immediately adjacent to the fortress, there is a modern country house with approx. 180 sq.m. of floor space on two floors (living room, 4 bedrooms, 2 kitchens, 2 bathrooms and all offices). An open fireplace and two terraces contribute to the splendid atmosphere of this property.
The real estate comprises altogether 12 ha of woods and meadows.
The property as such is notable for its splendid location - 15 minutes to the highway, 30 mins to Millstättersee, close to Mölltal glacier.
Purchase price: 27,000,000.– ATS

TOP VILLA PROPERTY, VIENNA 18th DISTRICT

3-floor villa:
Ground floor: entrance, hall, living room with open fireplace, dining room with adjoining luxury kitchen, all offices, sauna, adjoining staff-quarters; from the living room, direct access to beautifully cultivated garden with outdoor pool.
1st floor: landing, two large bedrooms, glorious bathroom, walk-in closets and offices.
2nd floor: splendid living room with two balconies providing a view over Vienna guaranteed free of intervening building.



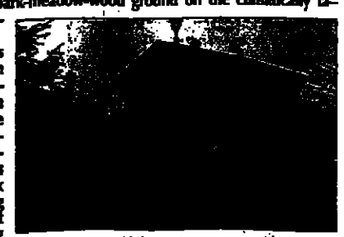
Property appointments: most modern construction technology, the most exclusive quality fittings.
Total real-estate: 860 sq.m.
Please apply for personal exposé
Price (negotiable) 45,000,000.– ATS

OFFICE BUILDING, EISENSTADT

Modern office block in excellent condition and best location near highway in EU Objective-1 region. Possibility of building attached warehouse(s). Real estate 4667 sq.m.
Ground floor: large reception hall with stairs to upper floors; gas-fired central heating, lighting technology, storage-rooms. 1st floor: 2 good-sized offices (each 30 sq.m.) and 2 offices (each 38 sq.m.). Also an attractive conference room of approx. 60 sq.m. with windows on 3 sides and a large balcony. 2nd floor: 2 offices (each 23 sq.m.), all offices, WC facilities, and an adjoining flat with its own entrance, kitchen, bathroom, WC, clothes closet, bedroom, and living room.
The whole property can be used for several purposes, and is highly suitable as a company headquarters.
Purchase price: 18,000,000.– ATS

TOP VILLA PROPERTY, SEMMERING

Built in 1901 by Bauzath von Neumann for Editha Mauthner von Markhof - Koloman Moser. The villa is situated amid approx. 30,000 sq.m. of fenced park-meadow-wood ground on the climatically favorable Wolfsbergkogel hill.
80 kilometers from Vienna with good road connexions via the South highway or the Semmering highway. Superb, uninterrupted views of the distant Rax and Schneeberg mountains. About 690 sq.m. of living space on 4 floors (cellar, ground floor, 1st and 2nd upper floors), central heating, highest-standard renovation, inclusive furnishings.
Purchase price: 14,900,000.– ATS



JUGENDSTIL VILLA, VIENNA-MAUER

This delightful detached house was built in 1914 by the renowned architect Maximilian Straube and was restored at great expense (10 million ATS) in 1994. The villa is now in an exceptionally good state of preservation and is exclusively appointed.

The house has 3 floors (plus basement) with a usable floor area of approx. 500 sq.m. The property is located in a highly desirable residential area with fine views. The real estate covers 996 sq.m.
Purchase price: 19,800,000.—ATS

VILLA PROPERTY, BURGENLAND

Villa in French country-house style. Near Eisenstadt, with good road connexions via Eisenstadt highway. This distinguished house is up for sale because of owner's relocation and is available for immediate occupation.
Total living area: 446 sq.m.
Ground floor: large entrance (43 sq.m.) with staircase to upper floor, living room with large fireplace (55 sq.m.), dining room (33 sq.m.), kitchen, hall and pantry (30 sq.m.), second dining room (accessible from the kitchen; 38 sq.m.), storeroom (26 sq.m.); double garage.

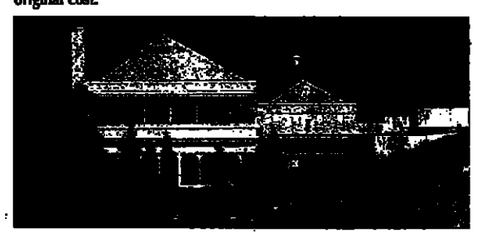
Upper floor: entrance (31 sq.m.), 4 bedrooms, 2 bathrooms and offices.
Attic: fitted out with rustic wooden ceiling. Basement: incomplete swimming pool, exercise room, sauna, boiler-room. Annexe: approx. 150 sq.m. fitted out in rustic style. 4 horse stables (for any purpose).
Very fine park with total real estate of 8062 sq.m. The park also has an outdoor swimming pool.
The property is superbly appointed and will be sold with all fixtures.
Purchase price: 26,000,000.—ATS

INDUSTRIAL PLOT, BURGENLAND

Unique industrial location in Parndorf, 388,584 sq.m. grounds, only 50 km from Vienna.
Two road approaches; 200 meters from nearest railway line; not far from A4 highway. EU Object-1 region with maximum subsidy entitlement.

DREAM VILLA, HINTERBRÜHL

Three floors with guaranteed uninterrupted view of the Vienna Woods. The property can be occupied at short notice. The whole fitting and installation of the property display great exclusivity. Built 1992. The overall planning was in the hands of the famous architect Carl Auböck. Level 1: approx. 285 sq.m.: lift, generously dimensioned living/bedroom with open fireplace and direct access to the terrace with splendid view, bathroom, WC, two completely mirrored walk-in closets, garage. Level 2: library, passage, hall, lift, cooking, eating, super living room with open fireplace and exit through beautiful winter-garden to a large terrace with glorious view. Level 3: lift, billiard-room with open fireplace, guestroom, bathrooms, solarium, steam-bath, shower, wine-cellar, workroom and offices. The grounds covering altogether 2619 sq.m. include a beautiful terraced garden.
The building itself is in a sunny position and has an outstanding location (only 25 minutes or less from the Vienna State Opera via highway). The moderate purchase price - 25,000,000.– ATS - is far less than the original cost.



CASTLE MILL, LISTED MONUMENT

This delightful castle mill stands in Zellendorf in Lower Austria. Near Retz with excellent connections to Vienna. The whole property with fine stuccoceilings has been completely renovated. Generously dimen-

sioned cellar with double-garage. Ground floor: 12 rooms with offices. Upper floor: gallery, 7 rooms. Immediate occupancy. 14,150 sq.m. real estate.
Purchase price 11,500,00.– ATS.

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TO BUY OR TO RENT IN FRANCE AND ITALY?

The laws governing property tend to be decisive factors — in addition to the perennial location factor, of course.

It may be the best of times or the worst of times to buy a luxury property in France or Italy. It all depends on your point of view. Are you buying a principal residence or a second home? Will you be a permanent resident or a vacationing foreigner? Are you eyeing a new construction or a bourgeois-style turn-of-the-century residence?

Christian Musset, commercial director for luxury developer Cogedim, says this is an ideal moment to buy top-quality real estate on the Côte d'Azur. Prices at the top end of the market have stabilized, he says, so there is little point in waiting in the hope of finding a better bargain. Prices are down considerably from the over-inflated rates of several years ago and are currently "the lowest ever in this range."

As for the rental option, he says that there are very few world-class properties available to let. People who own such real estate tend to use their homes or leave them vacant, he says. "You wouldn't loan out your Rolls Royce, would you?" he asks.

Cogedim's recent track record supports his arguments. One luxury project on the Croisette in Cannes sold out in three months, in spite of a 67,000 franc ($11,640) per square meter (10.76 square foot) price tag. Another Côte d'Azur project in Menton, near Italy, is moving quickly at 30,000 francs per square meter, as are villas at the Royal Mougin Golf Club, an enclosed community with high levels of service and security.

Buyer profiles

Buyer profiles are different for all three locations. In Cannes, 60 percent of Cogedim's Croisette buyers were French — mainly people about to retire, who planned to live six months a year on the Riviera.

In Menton, Italians constitute the overwhelming majority of buyers. These clients can be expected to use their properties about three months a year. Mougin's golfers — including many Germans, followed by Italians, Swiss, English, and Dutch, as well as a few French — consider their purchase a vacation home that may be used eight weeks annually.

Buyers have in common their affluence and an interest in new property (less than five years old).

New homes mean significant savings on the purchase price in France because notary fees are only 2 percent. In addition, buyers enjoy a 10-year guarantee on the construction. A property more than five years old has notary fees of 8-10 percent of the purchase price, plus caveat emptor for the construction.

The Perrissol law, passed last year, encourages the purchase of new apartments.

"The law facilitates amortization of apartment costs if the apartment is then rented," explains Christian Bovis of Agence Bovis in Beaulieu. "It was intended to lower the stock of new properties on the market."

Although the law was meant to help middle-class renters as well as builders, it is also advantageous to affluent investors. One-third of Cogedim's Croisette buyers took advantage of it, notes Mr. Musset.

Italian rentals

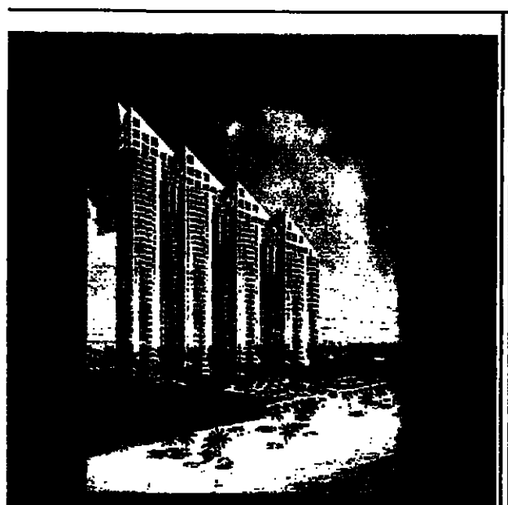
In Italy, there has been a tendency to rent luxury dwellings in recent years, says Giorgio Viganò, whose eponymous agency represents Sotheby's in Italy. "But the laws here are still an impediment," he says.

Rentals are very attractive for tenants because laws have traditionally favored them over the landlord. Rents are set by law and are hard to raise, and it is difficult to evict a tenant even if the rent has not been paid for months.

Five years ago, a law was passed enabling landlords to rent out properties at closer to real market prices, provided that certain conditions have been met.

According to a spokesperson for the Milan-based law firm of Dobson & Pinci, the market has reacted positively to the change. Mr. Viganò's agency offers buyers — about half of whom are not Italian — help in dealing with architects and renovations as well as with legal requirements.

The market today is better than it was a year ago for sales, says Mr. Viganò, and at the high end they have stabilized for the first time in six years. While luxury apartments in town are flat, by the sea "things are picking up for really good properties," villas rather than apartments, with a superb view and a location right on the waterfront." These are often renovated properties in ultra-exclusive areas such as the Costa Smeralda in Sardinia, Portofino on the Italian Riviera or Venice. **Claudia Flisi**



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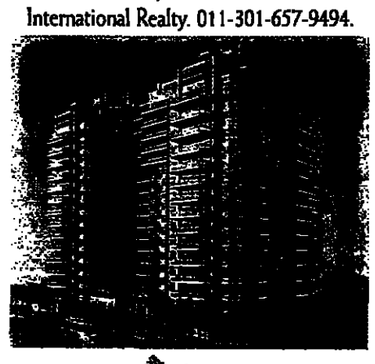

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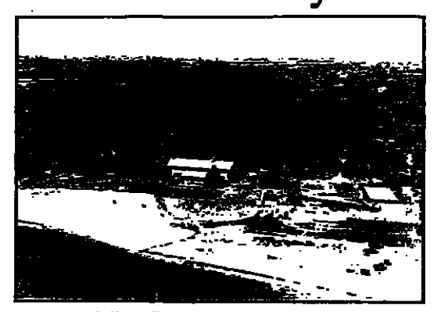

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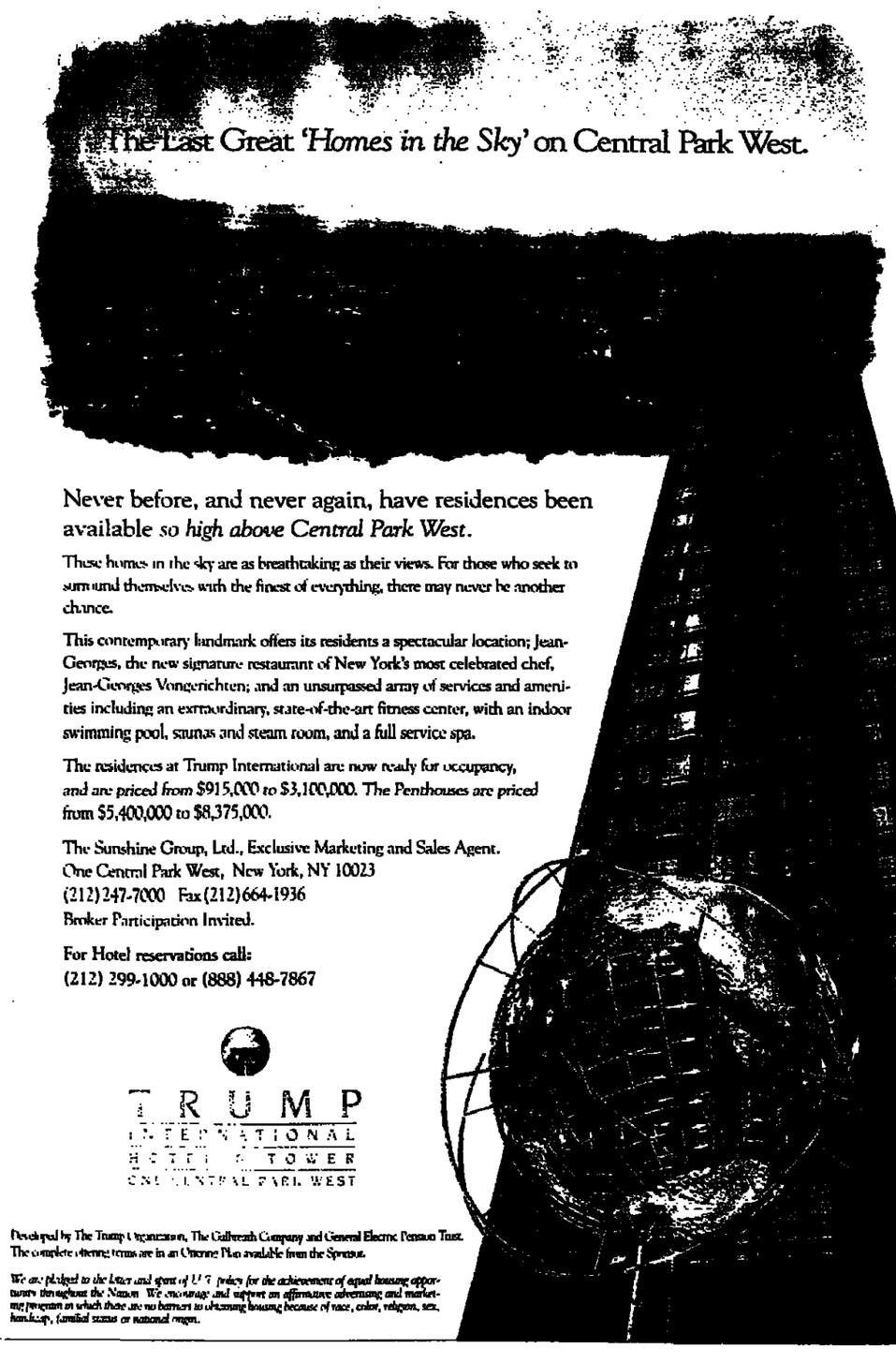

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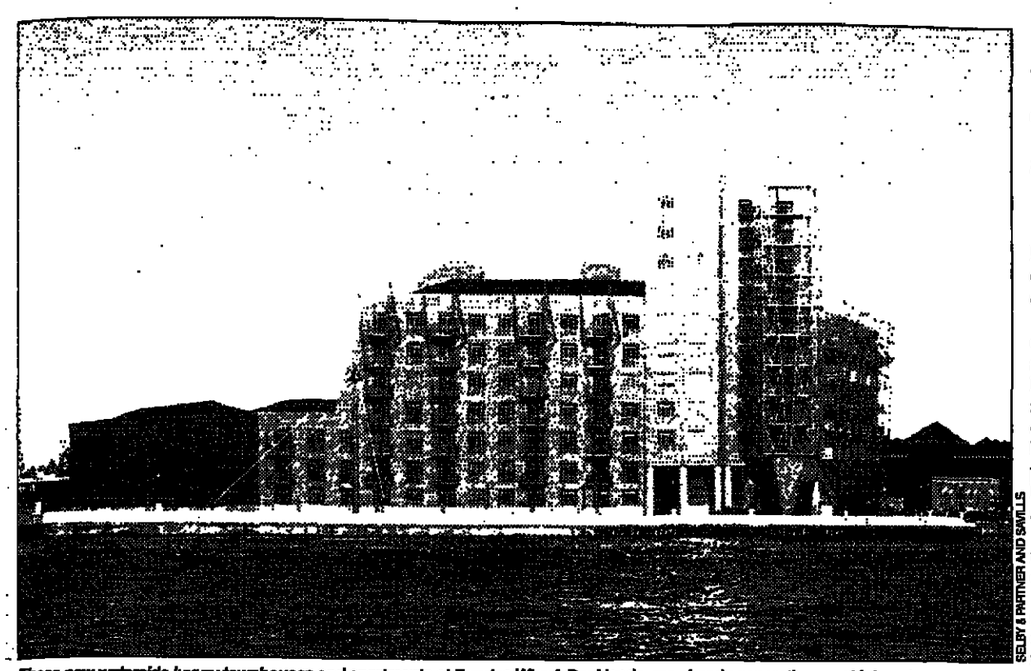


These new waterside luxury townhouses and apartments at Dundee Wharf, Docklands, are already generating great interest.

SELBY & PARTNER AND SAVILLS

WHAT'S HOT: THE LONDON MARKET

Prices are moving upward, and the boundaries of prime real estate are moving outward.

Earlier this year, The New Yorker magazine concluded that London was the "hottest" place in the world, and Tatler, London's top society magazine, reported that properties at £1 million ($1.6 million) had virtually disappeared from the London market, leaving dozens of customers high and dry.

While London did not go into mourning for the poor little homeless rich, the reports were taken as an indication of how stretched London's luxury market has become. The main side-effects are a branching out of London's prime area into some inner suburbs and an unprecedented boom in new building in the capital.

Large center

As the world takes another look at London and likes what it sees, property prices in central London continue to soar, with rises of around 8 percent recorded by agents Savills since the beginning of 1997. The definition of "central London" is also becoming more flexible: Prices in Battersea and parts of Docklands, for example, are rising as fast as those in Belgravia.

Savills' latest survey shows that enormous demand from buyers all over the world and an acute shortage of property on the market is a heady combination for house prices. Yolande Barnes, head of research at Savills, says the figures represent an increase of 19 percent since March 1996. Even more striking is her analysis that, if the trend continues, the total for 1997 will reach 35 percent — the growth rate last seen in the late 1980s. This forecast is well ahead of the national figures for Britain as a whole, which predict no more than a 7 percent rise year-on-year.

The findings are confirmed by London Residential Research, which found that more than half of all new homes built in central and inner London are being bought by foreigners. The presence of international buyers ranges from more than 75 percent in Kensington and 70 percent in Westminster to 40 percent in Islington and Docklands.

London Residential Research Director Geoff Marsh predicts that the enormous imbalance between supply and demand will continue "over a 10-year horizon."

In the new building market, 35 percent of buyers are from East Asia, mainly Hong Kong and Singapore, and many developments are sold sight unseen. In the second-hand luxury market, Far Eastern buyers make up only 7 percent, as do buyers from the United States, while Europeans (including Eastern Europeans) account for 14 percent and people from Africa (mainly Southern Africa) and South America for 8 percent.

Buyers are also getting younger. People in their 40s buy 42 percent of the prime London real estate, but thirtysomethings have taken a remarkable 30 percent. For new developments, the average age of buyers is even lower.

Going fast

In the crush to grab what little becomes available, 93 per cent of all private homes completed in 1996 were sold before the year ended; many were reserved before completion, some even before building began. This is something the London market has not seen for nearly 10 years, and it is accompanied by some alarm about the return of some pressure-selling techniques that resulted in disappointed customers last time around. Some developers are holding back on construction while waiting for prices to rise further; others are marketing their projects in the Far East before they start building.

In most areas, house prices are rising faster than those for apartments (23 percent for the past 12 months for the former compared with 17 percent for the latter). In Belgravia, house prices rose by 14.5 percent in the past three months. In Chester Square (where Lady Thatcher lives) a 59-year lease on a five-bedroom, four-bathroom, recently refurbished house with extra staff accommodation is on the market at £3.5 million. In December, Savills would have recommended an asking price of £3 million.

In Courtfield Gardens, South Kensington, a new two-bedroom, two-bathroom flat is on offer at £355,000, whereas similar flats were being offered at £325,000 in December 1996. This is an increase of 8.4 percent since the end of 1996.

Stretching the boundaries

Scarcity in the center is pushing out the boundaries of London's "golden zone" of top property prices. A two-bedroom, two-bathroom flat at Bishops' Wharf in Battersea (south of the Thames), which could have sold for £210,000 last December, is now selling for £245,000 — an increase of 8.6 percent.

A Wandsworth Common house on Elsynge Road (even farther south of the river) that was sold for £488,000 in early 1995 was resold last November for £585,000. Elsewhere in Wandsworth, a property that sold for £210,000 in late 1994 is now being offered at £320,000. The Knight Frank agency has just opened its first office in Wimbledon, establishing what is definitely an outer suburb as part of London's "prime" market.

While London's traditional prime areas — Belgravia, Chelsea, Knightsbridge and Mayfair — remain at the pinnacle, with house prices up between 9 percent and 14.5 percent this year alone, new areas are coming up fast. Apartments at St. Katharine-by-the-Tower have increased by more than 10 percent, Hampstead apartments by 9 percent and Wapping/Limehouse apartments by 8.9 percent.

In Docklands, where prices fell by some 50 percent in the early 1990s, the recovery is showing itself in very high percentage surges. The Ballymore developers, for example, have just completed a luxury development called Dundee Wharf; the apartments are now being snapped up.

Mira Bar-Hillel

AUCTION HOUSES ARE MAJOR PLAYERS

Customers of Sotheby's and Christie's want one-stop estate shopping for houses and their contents.

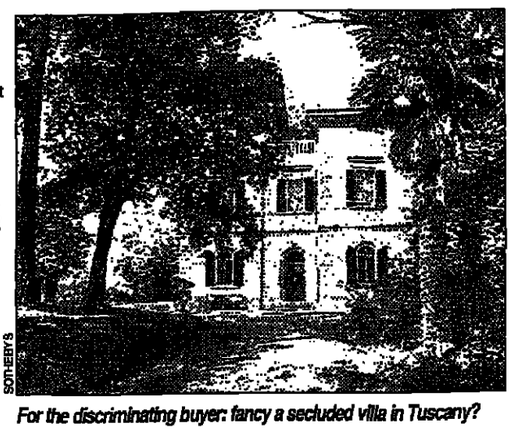
The world's two leading fine-art auction houses have brought their cachet, resources and client rosters to the real estate arena.

Sotheby's International Realty (SIR) and Christie's Great Estates (CGE) both deal in the high-end properties one would expect from such venerable names, but they have taken different approaches to entering the market.

Founded in 1976, SIR owns and operates eight brokerage offices in the United States. Overseas, SIR coordinates activity through Sotheby's offices in Europe and Asia. SIR has established a network of 185 U.S. brokerages and 16 affiliate companies overseas. The affiliates are independently owned real estate firms that enable SIR to call itself "the only brokerage and marketing concern with a physical worldwide presence." The relationship is transactional-based; that is, the local affiliates sell the estates using SIR's access to clients and marketing services.

Until very recently, the firm grew from within. But four months ago, SIR completed its first acquisition, a local real estate firm in the Hamptons.

"Several other acquisitions on are on the drawing board," says Managing Director Stuart Siegel. SIR is making its decisions according to "very definite criteria based on the marketplace."



SOTHEBY'S

For the discriminating buyer: fancy a secluded villa in Tuscany?

Great Estates

Christie's, on the other hand, began by acquiring an already-existing brokerage firm. After massive research on how to get into the real estate business, the auction house bought Great Estates two years ago. Founded by Kay Coughlin, who now heads CGE, Great Estates was based in Santa Fe, now CGE's headquarters. Like SIR, CGE maintains affiliate offices associated by contract, but CGE does not have its own affiliates.

"You can't be expert in 100 local markets without working with someone local," Ms. Coughlin says, adding that "sometimes a client may want Christie's to take the lead and get more closely involved."

The contents of the property, for example, may have to remain intact until the sale. Or the client may not want the property listed on the local market, just the national market.

Even so, a local firm still acts as the on-site broker, but CGE brings its own resources to bear on the property's sales value and venue. Currently, CGE is trying to sell a property in the French Alps to British buyers after making an analysis of the most likely market.

Client requests

Both auction houses began their real estate divisions in response to demand from fine arts clients who wanted one auction house to handle an entire estate — from jewelry to homes. The most visible current example is the estate of Pamela Harriman, the U.S. ambassador to France who passed away in February 1997. Sotheby's sold her famous art collection, as well as the contents of her homes in Paris, Washington and Virginia, for $8.7 million.

In addition, the Sotheby's auction house provides highly visible offices for the real estate division. "Goodwill and visibility in the marketplace take a long time to build up," Mr. Siegel says. "Because of who our parent is, we have a shared client base, a recognized brand and cross-marketing synergies."

The Christie's division may be much newer, but, Ms. Coughlin says, the company's motivation "wasn't necessarily to compete with Sotheby's." She nevertheless cites very similar client demands for full-service estate deposition. "The executors wanted one-stop shopping," she says. "They wanted the expertise of Christie's to handle everything for them."

Back at the ranch

Both auction houses have made themselves felt in the world of high-end real estate (properties average over $1 million for both firms). SIR has branched out to undeveloped property, ranches and even farms.

Mr. Siegel maintains that CGE, which mainly serves as an international marketer for its network of brokerages, is not as "hands-on" as SIR, but both firms are becoming dominant players in the world of expensive property.

S.W.

"LUXURY REAL ESTATE"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITERS: *Mira Bar-Hillel, based in London; Barry Edgar, based in Lausanne, Switzerland; Claudia Flisi, based in the south of France; Michael Rowe, based in Paris; Terry Swartzberg, based in Munich; and Steve Weinstein, based in New York City.*
PROGRAM DIRECTOR: *Bill Mahder.*

FOREIGNERS FLOCK TO U.S.

Continued from page I

locals who want to live near the beach to "snowbirds" who winter in Miami and foreigners who use Miami as a location for business and holidays.

Prices range from $125,000 to $2.2 million per unit — cheaper than at home.

"Prices are so much better here than in South America, Europe or Asia," says Phyllis Apple, spokesperson for several Miami-area development projects. "It's cheaper to live in Miami Beach than on the French Riviera or in Brazil. For a beach location, it's definitely cheap."

Access to high-end shopping malls also attracts foreign buyers. And despite a few well-publicized incidents, Miami remains a haven of security compared to their home countries for some buyers.

A look at safe investments

Because of some well-publicized bankruptcies after Miami's bust, buyers in today's market tend to be gun-shy about developers.

"Every client always asks: who is the builder, and is it a safe investment?" says Hidden Bay's Phil Spiegelman.

Fortune House, near Brickell Avenue and Biscayne Bay in downtown Miami, represents the return to the market. Popular with those who need to be close to Miami's business center, the building is divided almost equally among Brazilians, other Latin Americans and Americans, with a smattering of Europeans, according to Fortune House's Perla Garcia. More than 40 percent sold in less than six months.

"Brickell went away after the crash," says Ms. Garcia. "But it's picking up. Banking and financial institutions are more globalized. They're more cautious than before, but they're always able to buy better property in the United States than anywhere else."

Steve Weinstein

N.Y. BROWNSTONES MAKE A COMEBACK

What used to be drawbacks — such as a door leading to the street — are now viewed as strengths.

In the contemporary era, New York has been a city of apartment dwellers; perhaps in no other American city does the apartment so dominate the high end of real estate. Now, however, that is changing: As more and more families opt to remain in the city, the wish for privacy and spaciousness has induced many to reconvert brownstones from multiple dwellings to private homes.

The prices for private homes reflect this trend. The average sale price of a Manhattan townhouse is an astronomical $2.22 million, according to Clark Halstead; monthly rent averages $16,100 — or $193,200 per year. This represents an increase of 27 percent since autumn 1994, versus a 20 percent rise in apartment prices since that time.

Despite this, until very recently, the price per square foot was actually lower than that of apartments. The reason for the disparity was the perceived difference in security and services.

In an apartment building, a phalanx of concierges, doormen, porters, security personnel, maids, superintendents and maintenance workers wait on residents. In hotel condos such as the Pierre or the new Trump International Hotel and Tower, owners can come home to find their refrigerator fully stocked or their theater tickets waiting for them.

Homeowners, of course, are on their own when it comes to services. In addition, most houses are multilevel, limiting access to the elderly or people with disabilities. And very few homes have private garages, which are as "scarce as hen's teeth because very few were built with them to start with, and it's almost impossible to get a curb-cut permit" from the city, says Clark Halstead of Halstead Property Co.

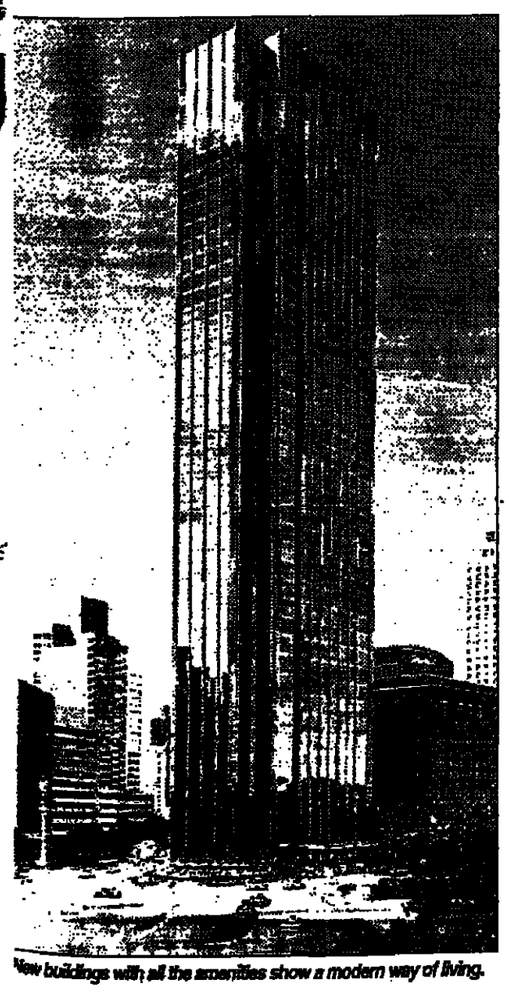
"Until the last few years, people thought only of the downside," says Barbara Corcoran, who heads the Corcoran Group at Greenthal Residences. Nowadays, she add, "townhouses have certainly come into their own." She cites the lower price — 30 percent less than a co-op and 40 percent less than a condominium.

Although houses offer less light than high-floor apartments, most have a garden and details such as bay windows and inlaid mahogany. Furthermore, with New York now perceived as safer, what used to be a disadvantage — a door leading to the street — is now a plus.

Finally, New York hits homeowners with much lower property taxes than other places. A $1 million homeowner in New York City may pay only 1 percent of the value in taxes, much less than in the suburbs.

There are only 900 townhouses in Manhattan below 125th Street, according to Mr. Halstead, and virtually none under construction. The rental income from homes is much greater than apartments because of the large number of rooms and square footage. Ironically, those in the best neighborhoods may be at a slight disadvantage because most have been landmarked; this can make improvements cumbersome, if not impossible.

S.W.



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Herald Tribune
SPORTS
FRIDAY, JUNE 6, 1997

WORLD ROUNDUP

Alphand Retires

SKIING Luc Alphand, who won the overall World Cup title this season, said Thursday that he was retiring from skiing and passing up a chance to win an Olympic title.

Alphand became the first downhiller, and the first Frenchman in nearly three decades, to win skiing's overall World Cup title.

Alphand, 31, made his announcement in a news conference at his agent's tent at the French Open tennis tournament.

"I have decided to end my career," Alphand said. "It wasn't easy for me. Eighty percent of the people want me to continue.

"This decision was taken at first for me, for my family and my children. I was worried to leave my family alone, especially with a third child expected." *(AP)*

Australia Collapses

CRICKET England bowled Australia out for just 118 runs on the first day of the first test in Birmingham. England then reached 200 for three wickets at close of play in its first innings.

Australia won the toss and batted, but then collapsed, losing its first seven wickets for 54 runs before Shane Warne and Mike Kasprowicz, two specialist bowlers, added 56 for the penultimate wicket. England's three fast bowlers took the wickets, led by Andy Caddick who took five for 50.

England then lost its first three wickets for 50 before Nasser Hussein, who finished on 80 not out, and Graham Thorpe, 83 not out, took control after tea. *(Reuters)*

Fans Attack Players

ROLLER HOCKEY A player suffered a fractured skull and several teammates were seriously injured when fans of a rival club boarded the FC Porto team bus after a game in Lisbon and attacked them with clubs, rocks and tear gas, the police said Thursday.

Filipe Santos underwent emergency surgery for head injuries and Pedro Alves suffered two fractured ribs in the attack, radio reported.

The incident occurred Wednesday as the FC Porto bus was leaving Benfica's Stadium of Light after a game that ended 3-3. *(AP)*

Albert Agrees to Samples

BASKETBALL The sportscaster Marv Albert has agreed to provide the authorities with hair and blood samples as they investigate charges that he bit a woman and sexually assaulted her in his hotel room in February.

Albert, who is continuing to announce the NBA playoffs for NBC, has been indicted on charges of forcible sodomy and assault. *(AP)*

Seles Loses to Her Heir: A Steady, Intent Hingis

By Ian Thomsen
International Herald Tribune

PARIS — In a French Open semifinal that begged for computer simulation, No. 3 Monica Seles, the former prodigy, was beaten by No. 1 Martina Hingis, her modern heir.

Of much greater interest than Thursday's semifinal would have been a meeting between the Hingis of today and the Seles of yesterday. One watched Hingis winning their semifinal, 6-7 (2-7),

FRENCH OPEN TENNIS

7-5, 6-4, with the understanding that she has yet to experience the difficulties that the teenage Seles would have presented, before the fight was knocked out of her.

Hingis, the 16-year-old Swiss, will attempt to continue her potential Grand Slam run Saturday against No. 9 Iva Majoli, who beat No. 11 Amanda Coetzer of South Africa, 6-3, 4-6, 7-5. Coetzer had knocked out the defending champion, No. 2 Steffi Graf, in the previous round. Majoli, 19, fighting a bad cold, will be the first Croatian woman to contest a Grand Slam final.

This was Seles's first semifinal here since 1992, when she went on to win her third consecutive French Open title. Not quite a year later, she was stabbed in the back by a German fanatic at a tournament in Hamburg. Seles did not play again for more than two years. Now 23, she has won one major tournament since, the Australian Open last year, her ninth Grand Slam title. Hingis has won all four of their meetings.

"I don't have the strength and intensity of the strokes that I used to have," Seles said. "I'm missing way too many shots that before would just go in, that consistency. Martina had that consistency through the match, especially at key times."

Hingis has been working on a comeback of smaller dimensions. After falling from a friend's horse, she underwent arthroscopic knee surgery, missing seven weeks before making her return at this tournament. During changeovers Thursday, the two players sat in large chairs pulled a safe distance away from the stands. Behind them security men in black suits stood in the front row, facing the crowd, statues in memory of the player Seles used to be. Hingis seemed oblivious to all of this, which is no criticism. At her age, she must feel indestructible. Even her current winning streak of 37 matches — 40 including the Hopman Cup — has withstood her recent injury. Hingis has won every tournament she has entered this year.

"I don't feel in good shape anymore," said Hingis, twice a junior champion at the French Open. "I was kind of almost shaking because I didn't want to lose." She rated this semifinal victory bigger than her championship at the Australian Open in January, when she replaced Seles as the youngest Grand Slam singles titleist of the century.

"I didn't know what to expect from myself from this tournament," Hingis said. "If you say that after six weeks, after the surgery, making the finals, I would say, 'Thank God I could play and compete at this tournament.'"

Seles and Hingis broke each other all but twice in the first eight games. There were times, especially in the first set, when Seles would achieve her old rhythm and drive Hingis out of the point. But it didn't last. She would stand in her old hunched pose with both hands around the racket, like a water-skier waiting for the boat to launch; she would even gasp in the old grunting way. But she couldn't run down shots tenaciously, as Hingis was doing now. All of these problems seemed insignificant in the absence of Seles's father, Karolj Seles, who has been at home in Florida undergoing treatment for cancer.

In the 10th game of the second set, having fended off two break points and about to gain deuce, Seles slammed a full-swinging backhand volley into the net. That gave Hingis the break and allowed her to serve out the set. She broke Seles in the third game of the final set and permitted the former champion only break point on the way in.

"The way Martina is playing is just amazing tennis, not just for this tournament but throughout the year, the consistency she has shown and the way she plays," Seles said. "Martina is really good everywhere. She doesn't have a weakness that you can say, 'O.K., if I do that, I'll win the point.' She's tough mentally, she's very quick, just good everywhere."

She knew this verse well; her own opponents used to repeat it constantly.

Eric Feferberg/Agence France-Presse
Martina Hingis serving to Monica Seles during their French Open semifinal Thursday.

Inter and Ronaldo: It's All but Signed

Compiled by Our Staff From Dispatches

Massimo Moratti, the Inter Milan president, said Thursday that he had struck a deal with the Brazilian star Ronaldo but that it would not be signed for several weeks.

"With Ronaldo, and the people who represent him, there's an agreement in substance, but not a formal one," Moratti said. "Both he and his representatives have given me assurances. For the first time in football, I think it's right to have faith in an agreement that has yet to be formalized."

"I want to stay calm and put all of this behind me," said Ronaldo, who is with Brazil's team in France. "Nothing has been signed yet." "We have to wait and see now," he added.

Moratti said he had agreed to pay $3 million a year in salary until 2006 for the striker, a $14 million signing fee and a $26.5 million transfer payment to Barcelona, Ronaldo's current club.

GERMANY Juergen Klinsmann, who has just left Bayern Munich, said he was shocked that his teammate Lothar Matthaeus bet 10,000 Deutsche marks ($5,780) against his scoring 15 goals last season. The wager, which Matthaeus made with Uli Hoeness, the club business manager, was revealed by a German tabloid newspaper.

"I really don't know what to say," Klinsmann was quoted as saying in the same newspaper Thursday.

Matthaeus lost the bet; Klinsmann scored 15 goals as Bayern won the German League. Matthaeus, who feuded with Klinsmann, said the wager had been an "insurance policy" against Bayern's losing the championship.

TOURNOI DE FRANCE Paul Scholes, making his first international start, scored one goal and set up another as England beat Italy 2-0.

Midway through the first half, Scholes hit a pass half the length of the field to Ian Wright, who scored with a low shot. A minute before halftime, Wright passed to Scholes, who lashed a shot past Italian goalie Angelo Peruzzi.

Italy fielded 10 of the team that beat England 1-0 in a World Cup qualifier in February. But once England took the lead, Italy seemed to lose interest. They meet again in a qualifierin October.

Gotti Adds to Lead in Giro

Compiled by Our Staff From Dispatches

FALZES, Italy — Jose Luis Rubiera, a Kelme rider far down in the standings of the Giro d'Italia, made an early solo breakaway and stayed clear to win the 19th stage of the bicycle race Thursday.

Rubiera finished 3 minutes 8 seconds ahead of Roberto Conti, who led in a group of four riders including the overall leader, Ivan Gotti.

Rubiera, a Spaniard, broke away after 70 of the 222 kilometers (137.6 miles) of the stage from Predazzo to Falzes.

He completed the mountainous stage in 7 hours, 2 seconds.

Gotti made his move on the fourth of the day's five climbs, up the Passo Furcia, and finished 55 seconds ahead of Pavel Tonkov, who is second overall. Gotti now leads Tonkov by 1:32.

Luc Leblanc and Alexandre Shefer, who started the day in third and fourth places, dropped out after they both crashed Wednesday in a time trial. *(Reuters, AP, AFP)*

■ Police Raid Team

The Italian police raided at dawn Thursday the hotel rooms of a team in the Giro, Reuters reported from Cavalese.

Cesare Paolini, a spokesman for the MG-Technogym team, which is based in Italy, said that nothing had been seized in the raid by a unit of the paramilitary police that specializes in investigations into food adulteration and pharmaceutical abuses.

Dan Lampert/Agence France-Presse
Silver Charm working out at Belmont on Thursday.

Will Silver Charm Be a Jewel in Triple Crown Club?

By Andrew Beyer
Washington Post Service

ELMONT, New York — If Silver Charm wins the Belmont Stakes on Saturday, he will become only the 12th horse to sweep the Triple Crown series. Little known three months ago, the modestly bred colt would join an elite group that includes such legendary runners as Whirlaway and Count Fleet. Can he possibly deserve such a lofty status? Or would his achievement be considered a fluke?

A study of the sport's history indicates that the answer is clear-cut: The Triple Crown is the definitive test of greatness in a thoroughbred, and horses do not win it by accident.

A horse might capture the Kentucky Derby, the Preakness or the Belmont with the aid of luck, but capturing them all requires extraordinary talent. Only one Triple Crown winner, Omaha, was slightly fluky. A racing historian wrote that he was widely viewed in 1935 as "a lucky colt who owed his success to inept competition." But that was an era before the U.S. breeding industry had started to boom; only about 5,000 thoroughbreds were being foaled each year. In the postwar period, with as many as 50,000 horses born in a year, it is impossible for a horse to dominate his generation by default.

The four colts who have captured the Triple Crown in the last half century — Citation, Secretariat, Seattle Slew and Affirmed — rank among the best racehorses who have ever lived. At the same time, the Triple Crown series has relentlessly foiled horses who are very good but not quite great — the Alysheba and Riva Ridges and Canoneros.

The Triple Crown didn't become the ultimate thoroughbred test because anybody planned it that way. It developed haphazardly.

When Sir Barton became the first horse to sweep the three races in 1919, nobody recognized them as a series. Charles Hatton, a columnist for the Daily Racing Form, began referring in the 1930s to the Derby, Preakness and Belmont as the Triple Crown, borrowing the term from English racing. The usage was firmly entrenched by 1941, when Whirlaway became the fifth horse to win all three. In 1950, the Thoroughbred Racing Association officially recognized the feat by creating a Triple Crown trophy, and in 1987 a financial bonus was attached to the series. Silver Charm will earn a $5 million bonanza if he can complete the sweep.

In contrast to the English series, which is contested over a period of months, the American Triple Crown has always been compressed into a few weeks of the spring. In Sir Barton's day, the Derby and Preakness were only four days apart. Now it is standard for the Preakness to be run two weeks after the Derby, with an additional three weeks to the Belmont.

Theoretically, a less-than-great horse might be able to hit a hot streak for a few weeks and sweep the classics. In practice, the timing of the races is the main reason the Triple Crown has been so difficult to win. Many horses have been thwarted in their bids because of the physical stress of the series: Canonero II was compromised by a foot problem in 1971. Majestic Prince was ailing in 1969. Tim Tam fractured a sesamoid in the running of the 1958 Belmont. Bold Venture bowed a tendon before the Belmont in 1936.

Besides testing horses' durability, the Triple Crown tests their versatility. Of course, horses need stamina to win at distances as long as 1½ miles (2.4 kilometers), but they also need speed to overcome traffic troubles and adapt to different tactical situations. Habitual come-from-behind runners are usually foiled somewhere in the series: Alysheba, Pleasant Colony, Little Current, Carry Back and Needles are among the many strong finishers who wound up with two-thirds of a crown.

Although the Triple Crown has always been difficult to win, it is exceptionally elusive now. Contemporary thoroughbreds are demonstrably less durable than those of previous generations.

Horses used to withstand hard racing and training before the Triple Crown; Citation raced three times in three weeks before the 1948 Kentucky Derby. Nowadays trainers feel it is necessary to give their horses three or four weeks' rest before the Derby. Yet these frailer modern horses are still being asked to go through the grueling Triple Crown series in five weeks. Few have the fortitude to run in all three races — let alone win them all. It is no surprise that 19 years have passed since the Triple Crown was last won by Affirmed.

If Silver Charm can manage to sweep the series, his durability alone will make him a rare horse by modern standards. And he has many other obvious merits: He has proved that he is an admirable competitor by winning tough stretch duels in the Kentucky Derby and the Preakness. He is a versatile runner, with a combination of speed and stamina. Although he was not a star before the Triple Crown series, he would nevertheless emerge from a victorious Belmont with a record of nine starts, six wins and three seconds — a better record than the majority of prior Triple Crown winners at this stage of their careers.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	38	15	.717	—
New York	31	27	.534	9½
Toronto	26	28	.481	12½
Detroit	26	29	.473	13
Boston	22	33	.400	17

CENTRAL DIVISION

	W	L	Pct.	GB
Milwaukee	30	26	.519	—
Cleveland	27	26	.509	1½
Chicago	26	25	.473	2½
Kansas City	25	29	.463	3
Minnesota	25	32	.439	4½

WEST DIVISION

	W	L	Pct.	GB
Texas	30	25	.545	—
Anaheim	29	26	.527	1
Seattle	30	27	.526	1
Oakland	24	35	.407	8

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	38	19	.667	—
Florida	33	23	.589	4½
New York	32	25	.561	6
Montreal	29	27	.518	8½
Philadelphia	19	37	.339	18½

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	29	29	.500	—
Pittsburgh	28	29	.491	½
St Louis	26	30	.464	2
Chicago	24	33	.421	4½
Cincinnati	21	36	.368	7½

WEST DIVISION

	W	L	Pct.	GB
San Francisco	32	24	.571	—
Colorado	31	26	.544	1½
Los Angeles	28	28	.500	4
San Diego	26	30	.464	6

WEDNESDAY'S LINESCORES

AMERICAN LEAGUE

Boston	061	010	300—11	12	2
Milwaukee	005	000	00x—13	16	1

Hammond, Brandenburg (4), Wasdin (4), Eshelman (5) and Hatteberg; Eldred, Adamson (6), Fetters (8), DeJones (9) and Mathieny. W—Eldred 6-5. L—Brandenburg 0-1. Sv—DeJones (14). HRs—Boston, Cordero (9), MVaughn (15), JbValentin (3).

Chicago	200	121	030—9	13	1
Cleveland	000	000	022—4	6	0

Baldwin, Simas (8), TCastillo (9) and Fabregas; ALopez, Graves (5), Shuey (6), Mesa (8), Morman (8), MJackson (9) and SAlomar. W—Baldwin 3-7. L—ALopez 2-4. HRs—Chicago, Durham (3), Cleveland, Thome (13).

New York	000	000	520—7	12	1
Baltimore	020	011	40x—9	10	1

Pettitte, Nelson (7), Lloyd (7), Mecir (8) and Posada, Girardi (7); Mussina, TeMathews (7), Orosco (7), ABenitez (8), RaMyers (9) and Hoiles. W—Orosco 2-0. L—Nelson 2-5. Sv—RaMyers (18). HRs—New York, Hayes (4), Fielder (4), Baltimore, CRipken (10).

Kansas City	000	020	100—3	7	0
Anaheim	003	004	00x—7	11	0

Rusch, JWalker (6), JMontgomery (6), MkWilliams (8) and Macfarlane; Watson, PHarris (7), Percival (9) and Kreuter. W—Watson 4-3. L—Rusch 3-3. HP—Anaheim, Hollins (8).

NATIONAL LEAGUE

Houston	120	110	000—5	9	0
Cincinnati	000	000	101—2	10	0

Holt, Lima (8), BWagner (9) and Ausmus; Burba and Fordyce, JOliver (8). W—Holt 6-4. L—Burba 4-5. Sv—BWagner (10). HRs—Houston, THoward (2), Cincinnati, WGreene 2 (7).

Atlanta	002	030	001—6	10	0
Montreal	000	010	002—3	8	1

Glavine, Bielecki (9) and JLopez; Jaden, MValdes (6), Telford (8), LSmith (9) and Widger. W—Glavine 6-3. L—Juden 5-2. HRs—Atlanta, McGriff (8), Montreal, Widger (4).

Florida	020	001	002—5	11	3
New York	110	000	000—2	5	0

Rapp, Nen (9) and CJohnson; Mlicki, Little (9) and Hundley. W—Rapp 4-2. L—Mlicki 1-5. Sv—Nen (15).

Chicago	013	000	010—5	10	0
Philadelphia	000	000	001—1	6	0

FCastillo, Patterson (8) and Servais; Stephenson, Blazier (7), Ryan (8), Plantenberg (9), RHarris (9) and Parent, Lieberthal (8). W—FCastillo 3-7. L—Stephenson 2-2.

St. Louis	200	040	211—10	11	1
Pittsburgh	000	000	000—0	7	3

AnBenes and DeLeon; Schmidt, Ruebel (2), Sadowsky (5), Wainhouse (6), Peters (7), MWilkins (9) and Kendall. W—AnBenes 4-2. L—Schmidt 1-4. HR—St. Louis, Lankford (11).

San Diego	230	000	100—7	10	0
Colorado	300	001	100—5	10	0

Cunnane, TWorrell (7), Bochtler (8) and Flaherty; RBailey, DeJean (7), SReed (8), MMunoz (9) and Manwaring. W—Cunnane 4-1. L—RBailey 5-5. Sv—Bochtler (2). HRs—San Diego, SFinley (6), Colorado, Bichette (8).

San Francisco	001	000	000—1	6	0
Los Angeles	130	000	10x—5	8	0

Foulke, Aracho (7) and RWilkins; RMartinez, Guthrie (8), Osuna (8), TeWorrell (9) and Piazza. W—RMartinez 5-3. L—Foulke 0-1. HRs—San Francisco, RWilkins (4), Los Angeles, Piazza (9).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	30	19	—	.612	—
Hiroshima	25	22	—	.532	4.0
Hanshin	25	24	—	.510	5.0
Chunichi	23	24	—	.489	6.0
Yokohama	21	23	—	.477	6.5
Yomiuri	18	30	—	.375	11.5

THURSDAY'S RESULTS

Yakult 4, Yomiuri 3
Hanshin 6, Hiroshima 3
Yokohama 6, Chunichi 3

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	29	19	—	.604	—
Orix	23	18	—	.561	2.5
Daiei	25	25	—	.500	5.0
Nippon Ham	24	26	—	.490	5.5
Lotte	20	25	1	.444	7.5
Kintetsu	19	28	1	.404	9.5

THURSDAY'S RESULTS

Seibu 6, Kintetsu 5
Daiei 5, Nippon Ham 4 (11 innings)

CRICKET

SRI LANKA TOUR
1-DAY INTERNATIONAL
TRINIDAD AND TOBAGO VS. SRI LANKA
WEDNESDAY, IN SAN FERNANDO
TRINIDAD

Sri Lanka: 226-8
Trinidad and Tobago: 215-7 in 39.5 overs
Trinidad were set a revised target of 215 in 41 overs because of rain.
Trinidad won by three wickets.

AUSTRALIA TOUR
TEST MATCH, 1ST DAY
ENGLAND VS. AUSTRALIA
THURSDAY, IN LONDON

Australia: 118 all out
England: 200-3

CYCLING

GIRO D'ITALIA

Leading placings in 222 km 19th stage of the Giro d'Italia from Predazzo to Falzes:

1. Jose Rubiera, Sp., Kelme 7 h. 2 m. 2 s.; 2. Roberto Conti, It., Mercatone Uno at 3:06; 3. Giuseppe Guerini, It., Polti s.t.; 4. Ivan Gotti, It., Saeco 3:08; 5. Jose Gonzalez, Col., Kelme s.t.; 6. Andrea Noe', It., Asics 3:33; 7. Stefano Garzelli, It., Mercatone Uno 4:01; 8. Pavel Tonkov, Rus., Mapei 4:03; 9. Roberto Petito, It., Saeco s.t.; 10. Dario Frigo, It., Saeco s.t.

OVERALL: 1. Gotti 86 h. 20 m. 35 s.; 2. Tonkov at 1:32; 3. Guerini 6:00; 4. Micali., It., AKI 8:33; 5 Gontchar., Ukraine, AKI 10:27; 6. Di Grande, It., Mapei 11:04; 7. Belli, It., Rasiaffo 12:44; 8. Serrano., Sp., Kelme 14:00; 9. Garzelli 14:42; 10. Rubiera 15:09.

RUGBY UNION

BRITISH LIONS TOUR
WEDNESDAY, IN WITBANK
SOUTH AFRICA
Mpumalanga 14, British Lions 64
TONGA TOUR
WEDNESDAY, IN EAST LONDON
SOUTH AFRICA
Border 10, Tonga 27

SOCCER

WORLD CUP QUALIFIERS
ASIAN ZONE, GROUP 2
Iran 7, Kyrgyzstan 0
Syria 12, Maldives 0
STANDINGS: Iran 6 points; Syria 3; Kyrgyzstan 0; Maldives 0.
ASIAN ZONE, GROUP 7
Kuwait 4, Singapore 0
INTERNATIONAL FRIENDLIES
United States 0, Paraguay 0
South Africa 0, Netherlands 2
TOURNOI DE FRANCE
England 2, Italy 0
STANDINGS: England 3 points; Brazil 1; France 1; Italy 0.
ROMANIAN CUP
SteauaBucharest 4, F.C.NationalBucharest 2

SWISS FIRST DIVISION
Aarau 0, Grasshoppers 1
Neuchatel 2, St Gallen 0
Sion 1, Lausanne 0
Zurich 1, Basle 1
FINAL STANDINGS: Sion 49 points; Neuchatel 46; Grasshopper 45; Lausanne 43; Aarau 31; St Gallen 28; Zurich 24; Basle 24.
COPA LIBERTADORES
QUARTERFINALS, RETURN LEG
Gremio, Brazil 2, Cruzeiro, Brazil 1
Cruzeiro advances on 3-2 aggregate.
SEMIFINALS, 1ST LEG ON JULY 23
Colo Colo, Chile vs. Cruzeiro, Brazil
Sporting Cristal, Peru vs. Racing, Argentina

TENNIS

FRENCH OPEN

SEMIFINAL
WOMEN'S SINGLES
Hingis (1), Switz. def. Seles (3), U.S. 6-7 (2-7), 7-5, 6-4.
Majoli (9), Cro. def. Coetzer (11), S.Af. 6-3, 4-6, 7-5

MIXED DOUBLES
Raymond and Galbraith (1), U.S. def. Beltrame, Neth. and Leach (3), U.S. 4-6, 6-2, 6-3.
Hiraki, Jap. and Bhupathi (16), Ind. def. Sukova and Suk (4), Czech Rep. 6-4, 6-4.

MEN'S DOUBLES
Woodbridge and Woodforde (1), Austl. def. Arnold and Orsanic, Arg. 4-6, 6-4, 6-3.
Kafelnikov, Rus. and Vacek (4), Czech Rep. def. Ellsingh and Haarhuis (2), Neth. 7-6 (7-4), 7-6 (7-3).

TRANSITIONS

BASEBALL
AMERICAN LEAGUE
NEW YORK—Optioned RHP Danny Rios to Columbus, IL.
NATIONAL LEAGUE
FLORIDA—Sent OF John Wehner outright to Charlotte, IL.
MONTREAL—Put 1B David Segui on 15-day disabled list. Recalled 1B Ryan McGuire from Ottawa, IL.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
ORLANDO—Named Julius Erving executive vice president.

FOOTBALL
NATIONAL FOOTBALL LEAGUE
ARIZONA—Signed WR Chad Carpenter and RB Kevin Boyle.
NEW ORLEANS—Released WR Haywood Jeffires, DE Fred Stokes, S Sean Lumpkin, S Derrick Hoskins, and TE Henry Lusk.
NEW YORK JETS—Signed S Steve Rosga. Agreed to terms with LB Dwayne Gordon.
PHILADELPHIA—Signed G Ian Beckles, S Damien Robinson, QB Kay Detmer, CB Byron Capers and CB Deandree Brown to 2-year contracts.
SEATTLE—Signed CB Jeremy Lincoln.
WASHINGTON—Released DE Sterling Palmer, FB Marc Logan and TE Scott Galbraith.

HOCKEY
NATIONAL HOCKEY
FLORIDA—Signed G Aaron MacDonald, LW Dave Duerden, D John Jakopin and D Mikael Tjallden.
WASHINGTON—Signed D Kayle Short.

هكذا من الأصل

...dds to Lead in Giro

...iple Crown Club

Orioles, 9½ Up, Beat Yanks Again

Compiled by Our Staff From Dispatches

The Baltimore Orioles moved a step closer to turning the American League East race into a runaway.

The Orioles squandered a five-run, seventh-inning lead for the pitcher Mike Mussina, who didn't flirt with perfection this time but still was quite good. But they regrouped to push their American League East lead to an imposing 9½ games by beating the stumbling New York Yankees again, 9-7, Wednesday at Camden Yards.

The Orioles completed a two-game sweep of the Yankees and a 4-0 home stand. They've won 13 of their last 15. They're 4-0 this season against the Yankees and an astounding dozen games ahead of them in the loss column.

The Orioles have the best record in the major leagues and are attempting to become the first big league team since the 1984 Detroit Tigers to spend every day of a season in first place.

"They're playing unbelievable baseball right now," said the Yankee starter, Andy Pettitte.

The Orioles got a two-run, go-ahead double from Rafael Palmeiro — who beat the Yankees on Tuesday with a two-run homer in the 10th inning — in a four-run bottom of the seventh after New York had used a pinch-hit grand slam by Charlie Hayes to tie the game at 5-5 in the top of the inning.

Jesse Orosco surrendered Hayes's grand slam but got the victory in relief.

For much of the evening, it looked as if this one would be easy for the Orioles.

Mussina, who had a perfect game ended by the Cleveland Indians' Sandy Alomar with one out in the ninth inning Friday night, had a shutout and a five-run lead with one out in the seventh.

White Sox 9, Indians 4 Albert Belle's second game back at Jacobs Field was like his first: he had three runs batted in, the White Sox won and the Cleveland fans booed.

This time as fans refrained from tossing debris at him as they did Tuesday. That didn't stop the teams from throwing at each other, though.

Belle, who had a two-run double and was walked with the bases loaded, was hit by Jose Mesa, setting off a series of beanings and brushbacks that resulted in a bench-clearing situation in the ninth and two ejections.

The testiness started in the eighth after Mesa gave up a homer to Ray Durham, giving Chicago a 7-0 lead.

Mesa then plunked Belle, who walked slowly to first and glared at the reliever. Mesa then hit Mike Cameron, but Alomar, the catcher, insisted it was not intentional.

"We were not trying to hit anybody," he said. "Mesa was wild during warmups. Nobody told me to hit anybody."

Chicago, which has won three straight, retaliated in the ninth.

A White Sox reliever, Bill Simas, threw inside to Marquis Grissom, prompting the center fielder to walk toward the mound, pointing his bat. Both benches and bullpens cleared, but no punches were thrown.

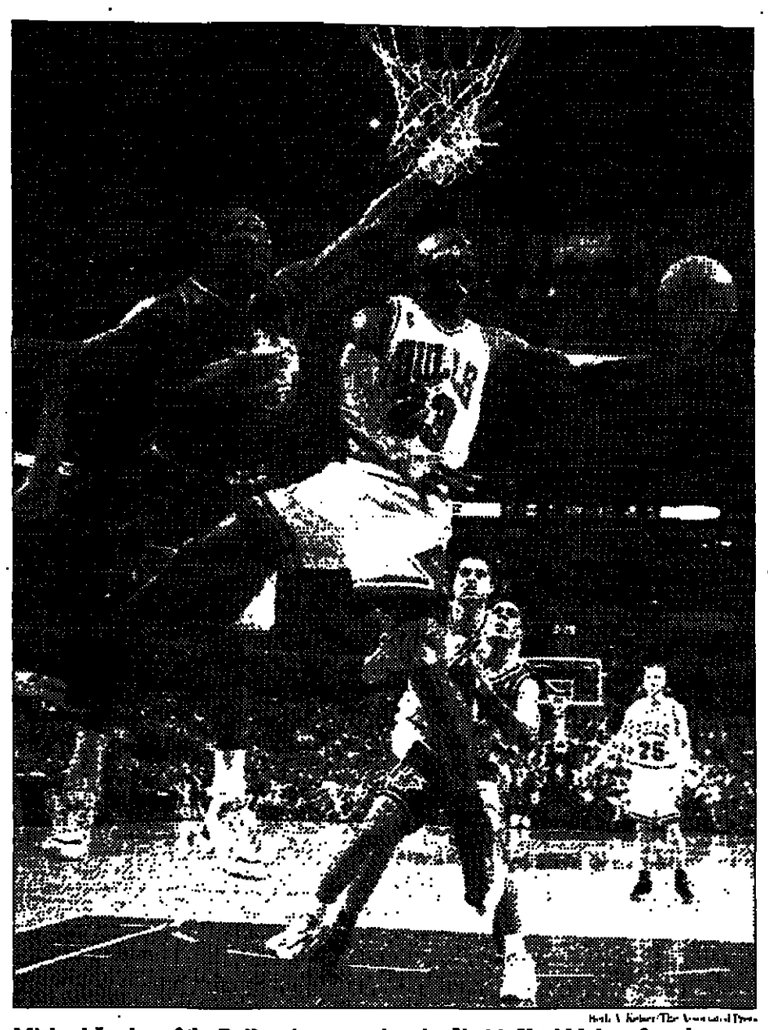
Simas and the White Sox manager, Terry Bevington, were ejected because Simas had been warned for throwing inside to Manny Ramirez leading off the inning.

The Indians, who got a two-run homer from Jim Thome in the eighth, lost their fourth straight and fifth in six games.

Brewers 13, Red Sox 11 In Milwaukee, the Brewers overcame a seven-run deficit by scoring five runs in the third and eight in the fourth to move into first place in the American League Central with their sixth win in seven games.

Angels 7, Royals 3 In Anaheim, Dave Hollins hit a three-run homer and Allen Watson (4-3) won his third straight start. *(WP, AP)*

AL Roundup



Rick T. Wilking/The Associated Press

Michael Jordan of the Bulls going up and under Utah's Karl Malone for a layup.

Jordan and the Bulls Make Utah Look Inept

Emphatic Victory Gives Them 2-0 Lead

Michael Wilbon
Washington Post Service

CHICAGO — Maybe it's not such a good idea for the Bulls to play up to their championship-caliber level after all. Because when they do, even if for only three quarters, the other guy doesn't have a chance. None.

Fortunately for the other teams in the playoffs, the Bulls hadn't been particularly impressive for most of the postseason. Okay, there were brilliant moments against Atlanta and Miami, but just flashes, an outburst from Jordan here, an eruption from Pippen there. But the Bulls hadn't put together an entire great game, from A to Z, the kind of basketball exhibition that has led some of the game's historians to compare them to the greatest teams ever.

Until Wednesday night, when the Bulls took a 2-0 lead in the NBA finals by winning convincingly, 97-85.

Maybe we don't need to see anymore, because when the Bulls play, say, B-plus basketball, nobody in today's NBA can come close to beating them. They make the other guy look so inept, so incapable of doing anything, it's like the Harlem Globetrotters playing the Washington Generals. Worst of all, it's bad theater. There's no drama, no suspense whatsoever. When the Bulls play just "O.K.," Atlanta can win a game, Miami can win a game, the Bullets can challenge them.

But when the Bulls stop goofing around, when they leave their arrogance at the door and get their minds off golf and new contracts and who's going to be playing for the team next year, they are the most dominant team in professional sports. With Michael Jordan around, they haven't lost four of five games since January 1993, which is what the Jazz must do to take the title.

The Jazz, remember, had enough weapons, enough creativity to win 64 games in the regular season, and roll through the first three rounds of these playoffs with a record of 11-3. What's happening to the Jazz is what has happened to every Jordan playoff opponent since 1991: The Bulls won't let Utah do what it wants to do. Won't let Karl Malone post up and shoot that fadeaway. Won't let Malone and John Stockton run the pick-and-roll that seems to confound everybody else. Won't let Greg Ostertag be a factor. Won't let Stockton find open teammates at will. It's as though the Jazz have totally forgotten how to play basketball. Coach Jerry Sloan went as far as saying, "I thought we were intimidated tonight," and he wondered aloud after the game if his team had come close to letting the Bulls "destroy your will."

You know what the evening's manufactured suspense was? Whether Jordan, who finished with 38 points, 13 rebounds and 9 assists, would get his first triple-double in NBA Finals play. He should have had a 10th assist with about three minutes remaining, but Scottie Pippen blew an open layup. That's what the Bulls had to be sorry about Wednesday night. "He apologized before I said anything," Jordan said. "Because he missed a layup? There's no love lost. I'd rather have a healthy Scottie Pippen than a triple-double. I just hope he can make a layup or two the next game."

Pippen's retort: "He doesn't need that triple-double, he has everything else."

Jordan dominated the scoring, the rebounding, the passing. Ron Harper scored since a hobbling Pippen couldn't, Dennis Rodman didn't get any technicals. Steve Kerr, who had never blocked a shot in the playoffs, blocked one in Game 2, which gave him one more than the entire Utah team has in this series.

The stretch of the game where the Bulls delivered the knockout punch was vintage basketball, stuff the old Celtics would have proud of. Their lead was down to 31-29 when Jordan scored off an offensive rebound. Pippen blocked a Malone layup and shot a pass to Harper, whose three-pointer made it 36-29. Jordan made a free throw, Luc Longley set up Harper for a layup. Toni Kukoc forced his way inside for two free throws, and Pippen hook-jammed after taking a pass from Jordan. The ball, at times, never touched the floor, and Utah's defenders simply weren't quick enough to contest Chicago's shots.

Meanwhile, Utah couldn't score, and the Bulls led 47-31 at the half. How could Malone and Stockton look so dazzling six days ago against Houston, then look so feeble here?

The Rockets ain't the Bulls. Especially not on defense. Utah led the league in field goal shooting with 50.4 percent during the regular season, but made just 40.3 percent in Game 2. Here's what happened:

Nobody in a purple uniform has enough space to take shots.

"We're a defensive oriented team," Jordan reminded everybody afterward.

Malone took the blame, saying, "I'm stinking it up right now." But he's stinking it up in part because the Bulls have four defensive players — Jordan, Pippen, Harper and Rodman — who simply drive opponents crazy with quick feet and long, flailing arms. "Pippen and Harper," Bulls' coach Phil Jackson said, "guys that crowd a lot of space with their agility and quickness, were able again tonight to use that as a way to keep the ball from going to the post when the screen-and-roll was happening. They made Stockton find somebody else while he was in the air."

As Stockton said, "We got a defensive lesson tonight. Hopefully, we can learn something from it, not just get beat by it."

And you know the worst thing for Utah? Jackson said that "we still were not scintillating." Sloan, concurring, added, "We probably haven't taken their best shot."

NBA Finals

Chicago 97, Utah 85

UTAH	Min	FG	FT	O-T	A	PF	Pts
Russell	33	4-10	1-2	1-5	1	3	11
Malone	41	6-20	8-12	5-13	1	2	20
Ostertag	13	0-1	1-2	1-3	0	3	1
Stockton	39	4-12	5-6	0-2	7	0	14
Hornacek	31	5-9	8-9	1-2	2	6	19
Eisley	9	2-3	1-2	0-1	2	1	5
Foster	11	0-1	0-0	1-2	2	2	0
Anderson	26	2-4	0-0	1-2	1	3	5
Morris	11	1-1	0-0	0-0	0	2	3
Carr	9	2-4	0-0	0-1	1	1	4
Keefe	17	1-2	1-2	1-4	1	3	3
Totals	240	27-67	25-35	11-35	18	26	85

CHICAGO	Min	FG	FT	O-T	A	PF	Pts
Pippen	39	4-13	2-2	2-6	4	2	10
Rodman	25	2-3	2-2	0-7	1	2	7
Longley	20	4-5	0-0	1-3	2	4	8
Harper	31	5-10	2-2	1-2	4	3	13
Jordan	45	11-20	15-21	4-13	9	2	38
Williams	14	2-5	0-0	1-2	2	5	4
Kerr	19	2-6	2-2	0-1	1	1	8
Caffey	6	0-0	0-0	2-2	0	3	0
Brown	2	0-0	0-0	0-0	0	1	0
Kukoc	20	1-5	4-4	0-2	3	2	7
Buechler	19	1-2	0-0	0-3	0	1	2
Totals	240	32-69	27-33	11-41	26	26	97

Utah	28	11	28	25—85
Chicago	25	22	31	19—97

3-Point goals: Utah 6-13 (Russell 2-6, Morris 1-1, Stockton 1-2, Hornacek 1-2, Anderson 1-2), Chicago 6-16 (Kerr 2-5, Rodman 1-1, Harper 1-2, Jordan 1-2, Kukoc 1-2, Buechler 0-1, Pippen 0-3). Technicals—Chicago illegal defense 2, Ostertag.

■ **Shandon Anderson's Father Dies**

Willie Anderson, the father of the Utah Jazz rookie Shandon Anderson, died before Game 2 of the NBA Finals. He was 47.

Anderson had been suffering from throat cancer, and doctors gave him only 2-3 days to live more than a week ago, The Associated Press reported.

"I've said good-bye many times," his son said early this week.

It's Finley's Show, as Padres Win

The Associated Press

Steve Finley doubled, tripled and homered against Colorado, driving in four runs. His defense was even better.

"He's one of the more underrated players in the league," Bruce Bochy, the San Diego manager said after Finley led the Padres over the Colorado Rockies, 7-5, on Wednesday night.

Finley made a diving catch in right-center to snuff a seventh-inning rally and had a sprawling catch to end another threat in the ninth.

"In this ballpark, you have to play deep, which makes the gaps bigger," Finley said. His ninth-inning catch ended the game, giving Doug Bochtler his second save. But it paled in comparison to his diving grab that robbed Dante Bichette in the seventh, ending that inning and saving a run.

"When you have a guy who can run like that in the outfield, you have to make them put the ball in play," Bochtler said. "That's all I did, and Finley did the rest."

Marlins 5, Mets 2 Bobby Bonilla scored the go-ahead run in his return to Shea Stadium.

Bonilla, traded to Baltimore in July 1995, singled with one out in the sixth, took third on Jim Eisenreich's double and scored on Charles Johnson's ground out for a 3-2 lead.

Braves 6, Expos 3 Tom Glavine (6-3) allowed seven hits in 8⅓ innings and singled to start a three-run rally in the fifth at Montreal.

Glavine struck out six, walked one and left after giving up a one-out double to Vladimir Guerrero in the ninth. Glavine also went 2-for-3 at the plate.

Dodgers 5, Giants 1 Ramon Martinez won his seventh consecutive decision against San Francisco, allowing five hits in seven innings and striking out nine. Mike Piazza backed him with a homer at Dodger Stadium.

Cubs 5, Phillies 1 Frank Castillo allowed five hits in 7⅓ scoreless innings and Ryne Sandberg had three hits for Chicago in Philadelphia.

Castillo (3-7), who struck out five and walked two, helped the Cubs improve to 8-2 in their last 10 games.

Philadelphia has lost six straight and eight of nine, dropping to 19-37.

Cardinals 10, Pirates 0 Ray Lankford hit a two-run homer in the first and Dmitri Young went 4-for-5 for visiting St. Louis.

Jason Schmidt, the Pittsburgh starter, was ejected by home plate umpire Jerry Layne in the second for hitting Mike Difelice in the ribs with a pitch, apparently in retaliation for the catcher's fight with Mark Johnson in Pittsburgh's 3-2 victory May 21.

Astros 5, Reds 2 Chris Holt scattered seven hits in seven innings, rebounding from his shortest start of the season. Jeff Bagwell doubled home a pair of runs for Houston at Cincinnati.

NL Roundup

Cowboy Loudly Ponders Future

New York Times Service

DALLAS — In a remarkable piece of theater, Michael Irvin, the Dallas Cowboy wide receiver, gathered members of the news media and said he did not know whether he could muster the intensity to resume playing football.

Speaking somberly, Irvin said Wednesday that personal controversies he has been embroiled in over the last 16 months have drained him of his passion for football. He said he had skipped the team's minicamps to ponder his future.

"Right now I just don't have the intensity and emotion about the game," he said.

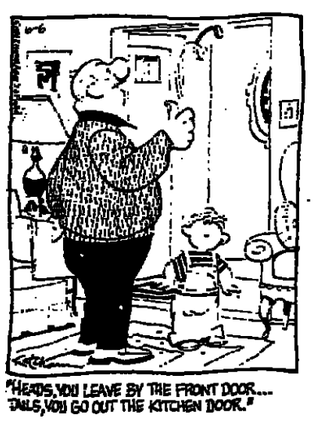
Irvin appeared with his new lawyer, Peter Ginsberg, to announce that he was joining a teammate, Erik Williams, in two lawsuits stemming from a recanted sexual-assault accusation. In December, a woman accused Irvin of holding a gun to her head while Williams and another man assaulted her. The woman recanted the charges and faces a perjury trial.

Irvin also said he wanted to clear the air about reports that he was seeking a trade.

He said he met with the Cowboys' owner, Jerry Jones, and asked to be traded, but said he did not "draw a line in the sand" when Jones told him such a move would be impossible for salary cap reasons.

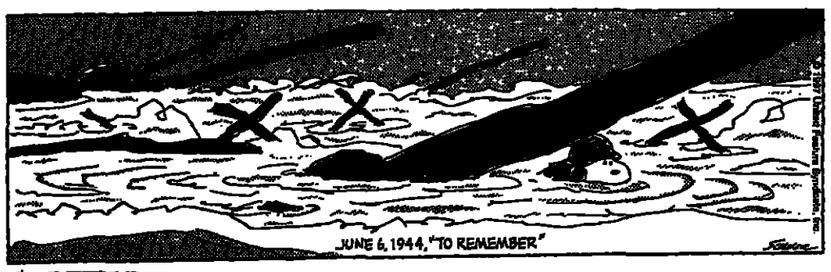
"I need to find my love of football or not play at all," Irvin said, adding that he had no idea when he might decide whether to rejoin the Cowboys or retire and forfeit nearly $5.8 million in contract payments.

DENNIS THE MENACE



"HEADS, YOU LEAVE BY THE FRONT DOOR... TAILS, YOU GO OUT THE KITCHEN DOOR."

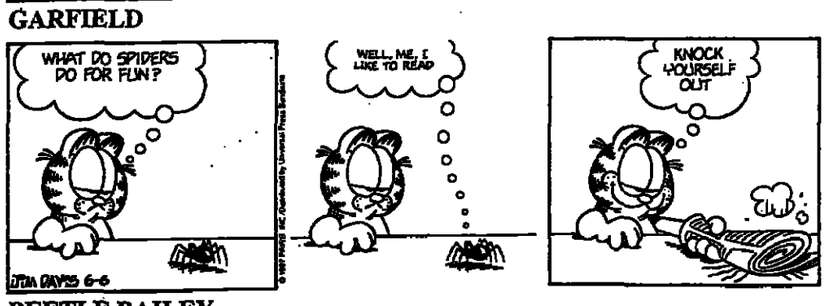
PEANUTS



JUNE 6, 1944, "TO REMEMBER"

CALVIN AND HOBBES

GARFIELD



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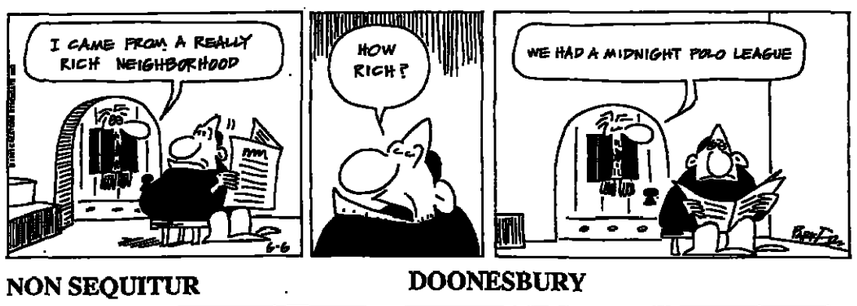

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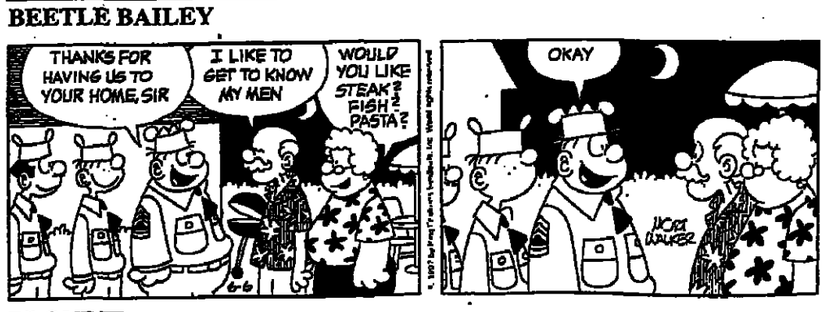

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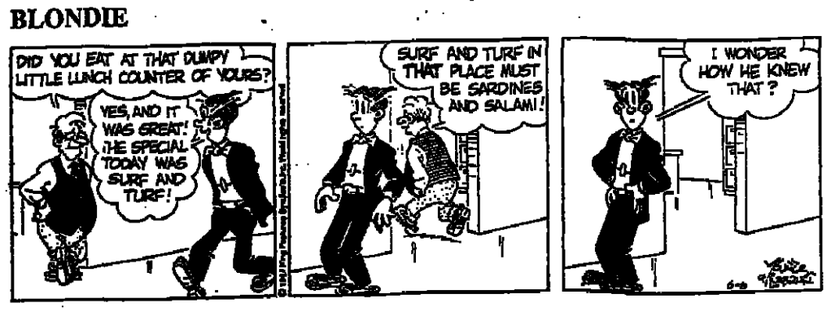

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DIOTT
BICUT
THYROW
ANNKIP

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: HE WAS

(Answers tomorrow)

Yesterday's Jumbles: CURRY MALIVE TINGLE URCHIN
Answer: What the carpet layers had to do while they worked – CUT A RUG

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OBSERVER

Getting and Spending

By Russell Baker

WASHINGTON — The great story is prosperity. It is here, and with a vengeance.

There is so much money washing around that people have to get out of bed at dawn on Saturdays to get it all spent before the week is out. Treat yourself to an old-fashioned Saturday sleep-in and you won't have enough time to spend it all before next week's bundle starts rolling in.

Washington journalists, trained to concentrate on politics, keep saying that news has ended. Nonsense. Political news may have ended, but the economic news is thunderous.

Later it will have a thunderous effect on politics, but that inevitability seems far-fetched right now, like summer heat lightning seen on a distant horizon. Meanwhile, we are wallowing in a gorgeous, juicy economic boom.

□

Millionaires are multiplying like flies. Farmland is being paved over with thousands of miles of new streets. Woodlands are being chopped down for "industrial parks."

Suburbs are sprouting gigantic new malls and, for buyers so hot to consume that they can't take the extra 10 minutes needed to reach the big malls for all-out spending, strip malls proliferate along the highways.

Stock markets — everybody knows about the stock markets. Zingo! Bingo! Shazam and Wow! Lord, how the money rolls in!

One effect of the boom is to immunize President Clinton against his enemies. And this is one president certain to be remembered, as Richard Nixon is, for his enemies.

Paula Jones, Whitewater, Dick Morris with his polls and prostitute, Asian money finagling, Clinton's lack of perceptible political beliefs, the swarm of independent investigators harassing his administration — nothing shakes the public's contentment with this presidency, if the popularity polls are correct, as polls nowadays usually are, alas.

The public's attitude appears to be "First things first." The first thing now is the big money. The public seems indisposed to trade the joys of the fattened wallet for the sour pleasures of humiliating another president.

Now somebody will note that not everyone is raking in the money.

True, but here Clinton has the best of all possible worlds. Those making the biggest bucks are upper-brackets people. Republican by nature yet not apt to let political affiliation deprive them of constantly expanding income.

□

Those left out of the barbecue are the bottom-brackets crowd; to wit, people who vote Democratic no matter how miserably they are rewarded, and people who don't vote at all. This wretched bunch is being told to shape up or ship out, as the Clinton government withdraws from the old Democratic tradition of looking charitably on life's losers.

Economic Darwinism is in the air. A magnificent, unleashed capitalism — freed of all social or moral restraints — will be good for life's losers in the long run. One of these days. Such is the philosophy of the boom-boom age.

Later we shall see.

New York Times Service

The Case for Savonarola Gets a New Hearing

By Barry James
International Herald Tribune

PARIS — The Vatican has rehabilitated Galileo and now it may be the turn of Savonarola, the enigmatic preacher who inspired a short-lived republic in Florence and consigned much of the city's art heritage to a vast "bonfire of the vanities."

Girolamo Savonarola — Dominican monk and Renaissance ayatollah who terrified his city with gangs of adolescent zealots — may even be on the way to beatification. Next year is the 500th anniversary of his execution by hanging — his body was burned and the ashes thrown into the River Arno — and Italy is preparing for the occasion with exhibitions and colloquiums.

Pope John Paul II has expressed his wish to make amends to those the Roman Catholic Church has wronged in history, like Galileo, as part of the Jubilee year in 2000.

According to a leading Savonarola scholar, the Reverend Armando Verde, a Dominican priest in Pistoia, Italy, it is possible and "even a little bit probable" that Savonarola will be rehabilitated by the church. The archbishop of Florence, meanwhile, has opened the beatification cause, aimed at verifying the so-called "heroic virtues" that would make Savonarola an official object of veneration in the church. Beatification is often a first step toward canonization or sainthood. The Dominicans have never disowned Savonarola, although today not all are in favor of the beatification cause. But for the city of Florence, it is a matter of civic pride.

Father Verde said modern text analysis makes possible a more balanced picture of Savonarola and his tutelage of the Florentine Republic from June 1494 to his trial and death in May 1498.

Like a modern ayatollah, Savonarola railed against a great Satan — in his case the Borgia Pope Alexander VI.

"Oh prostitute church," thundered Savonarola, condemning its greedy commercialism (like Luther, who called him a saint, a generation later). The early church gave its wealth to the poor, he said, but now disdainful prelates robbed the poor to pay for their palaces and finery. Rome was, he proclaimed "a monster of abomination."

His words were conveyed around Europe by the new miracle of the printing press, and men came from all over to hear his impassioned sermons, which were, a contemporary said, "so full of terrors and alarms, cries and lamentations, that everyone went about the city bewildered, speechless, and, as it were, half dead."

Because his sermons touched off waves of tears, his followers were derided as "weepers" by the "mad dogs" who waited and plotted for the return of the fallen Medici.

Alexander displayed remarkable tolerance for a while. He was too busy testing the outer limits of priestly celibacy and feathering the nests of his children to be much interested in religion. But eventually he excommunicated Savonarola, who helped seal his fate by excommunicating the Pope in turn and calling for a general council for the reform of the church and to depose Alexander.

Savonarola flattered civic pride by telling the Florentines that they were God's favorites and that they would enjoy a golden millennium in which their city would rise purified and blissful. The council of which he formed a part pleased the citizens by removing taxes and setting up a municipal pawnshop to break the bankers' grip. But it also banned horse races, gambling and profanity, and imposed merciless penalties for homosexuals and tongue-piercing for blasphemers.

The Dominicans formed gangs of youths into a kind of moral police who roamed the city, demanding alms, dispersing gamblers and ripping the clothes off women they considered indecently clad.

Florence then boasted a confluence of artists and sculptors. If their surviving works consist largely of saints and virgins it may be because Savonarola inspired or coerced the Florentines to consign their secular fripperies to a huge bonfire 500 years ago this year. The offending objects made a pyre 60 feet high and 240 feet around in the Piazza della Signoria.

Girolamo Savonarola, from a portrait by Fra Bartolommeo.

The artists' workshops produced a variety of products from furniture to party decorations, and much of the art that Florentines enjoyed in their daily lives went up in flames, along with "wicked books" like the "Decameron," manuscripts, musical instruments, masks, carnival costumes and playing cards.

One artist threw all his nudes onto the flames and went on to become Fra Bartolommeo, painter of great religious works. Botticelli, Lorenzo di Credi, Fra Angelico and the della Robbia family were among many inspired by the monk. Michelangelo said he could hear Savonarola's words as he painted the ceiling of the Sistine Chapel, and his Last Judgment has been described as the pictorial equivalent of Savonarola's sermons.

The doom Savonarola predicted for Florence unless it repented became a reality. The subject city of Pisa declared independence, taking fertile lands with it. Savonarola's vendetta against Alexander and his alliance with France left the city economically and politically isolated. Crops failed and people died of hunger. The mad dogs and the weepers clashed in the streets. The rival Franciscans whipped up popular discontent against the Dominicans, widely hated as torturers and inquisitors. People tired of puritanism. Finally church and government agreed Savonarola had to go.

A mob marched to capture him, and his friars defended him valiantly with clubs and swords, yelling "Salvum fac populum tuum, Domine" — save thy people, Lord.

Tortured, Savonarola confessed to heresy, but recanted. Boys stoned him as he choked on a gibbet. When his body was thrown onto the flames, his hand shot up with fingers outstretched as imparting a final blessing — or curse — and the crowd fled from the square in panic, crushing several to death.

The picture that emerges of Savonarola through his intimate writings, Father Verde said, is of "a man of faith who loved Jesus Christ." He had to make compromises in the sphere of politics, "but on the ethical and spiritual level, absolutely never." He was a fundamentalist, yet subtle enough to convince a humanist philosopher like Pico della Mirandola.

Much of the adverse comment about Savonarola came from the subsequently restored Medici dictatorship, a byword for corruption and treachery. In the year that Savonarola died, a new figure came onto the scene, more in keeping with the spirit of the times. He was an obscure Florentine bureaucrat named Niccolo Machiavelli.

JUST KICKING AROUND — Prince Charles and Steve Gibson, chairman of the Middlesbrough soccer club, joining in training with under-11 players, after Charles had addressed a symposium on young people.

PEOPLE

THIS may be a case of the denial arriving before the accusation, but **Oprah Winfrey** has issued a statement declaring that she is not gay. So who said she was? Rumormongers, that's who, said the talk-show queen. She decided to address the issue after she appeared on the "Ellen" coming-out episode and after the columnist **Liz Smith** wrote that a huge TV star and "role model to millions" was about to emerge from the closet. "I am not in the closet. I am not coming out of the closet," Winfrey said in her statement. "I am not gay."

□

In one of France's biggest wine sales, Maxim's, the century-old landmark Paris restaurant, auctioned off 8,000 of its 100,000 bottles of great wines that age had made too expensive for diners and too fragile to keep. **Jacques Tajan**, the auctioneer, said the sale netted more than 9 million francs ($1.55 million), almost doubling forecasts. The star was a case of 12 bottles of 1945 Chateau Mouton-Rothschild, which went for 532,000 francs to an unidentified German as an 85th birthday gift to an American who as a GI took part in the liberation of his village in 1945. "This was an anti-Nazi German who remembered the most beautiful day in his life, the day when the American soldier kicked open the door of his home," Tajan said. "They remained in touch after the war and he wanted to offer him the wine bottled in 1945 with the 'V' victory sign on the label," he said. More than 500 people crowded the auction room, and Tajan kept 23 telephone lines open to buyers around the world.

□

In London, the Canadian writer **Anne Michaels** won the Orange Award for women's fiction with her first novel "Fugitive Pieces." Michaels, 39, an award-winning poet who teaches creative writing at Toronto University, took 10 years to write the book, about a Jewish boy's escape from Poland to Canada in World War II. The award, which includes a £30,000 ($50,000) prize, is open to women of any nationality writing in English. This year's short list was dominated by North Americans, and included "Alias Grace" by **Margaret Atwood**, "One by One in the Darkness" by **Deirdre Madden**, "I Was Amelia Earhart" by **Jane Mendelsohn**, "Accordion Crimes" by **E. Annie Proulx** and "Hen's Teeth" by **Manda Scott**.

□

They will have a celebratory lunch, mingle with the masses, even dance a little, but the main event of celebrations marking the 50th wedding anniversary of **Queen Elizabeth II** and **Prince Philip** will be a thanksgiving service at Westminster Abbey, where they were married on Nov. 20, 1947, Buckingham Palace announced. The service will be followed by a royal walkabout. **Prime Minister Tony Blair** will host a lunch for the couple in Westminster's 17th-century Banqueting House. In the evening, the royals will hold a private dance at Windsor Castle, their home west of London. On July 15, about 4,000 British couples who married in 1947 will attend an anniversary garden party with the queen and her husband at Buckingham Palace. They were chosen by lot from more than 40,000 couples from Britain and its former colonies.

□

A couple who had an agreement to sell a house to **Peter Bogdanovich** say the film director's bankruptcy filing is just a dodge. Bogdanovich filed for bankruptcy protection Friday, a day after a Los Angeles Superior Court jury ordered him to hand over $4.2 million in damages and fines for failing to make payments on a $1.9 million Beverly Hills home he was buying. The 57-year-old director of "The Last Picture Show" and "Mask" had been sued by **Aly** and **Barry Spencer**, who claimed he stopped making payments on the house deal, yet kept up a lavish lifestyle that included $250 haircuts and $50,000 vacations. **Stephen Zelig**, the Spencers' lawyer, said the bankruptcy petition was "a pathetic attempt to avoid his responsibilities." It is Bogdanovich's second bankruptcy filing in 12 years. He declined to comment.

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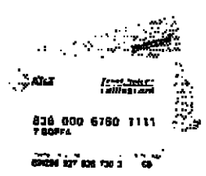

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